Daily Report

Latin America

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Cuba

Cuba: Envoy to Panama Says Havana Ready To Face Sanctions

PA2702183496 Panama City EL UNIVERSAL DE PANAMA in Spanish 27 Feb 96 p A1

[Report by Michell De la Ossa]

[FBIS Translated Excerpt] Cuban Ambassador to Panama Carlos Alberto Mas Zabala has said during a news conference that "the Cuban Government has unequivocal proof of the incursion of its airspace by two pirate planes. That evidence consists of maps illustrating minute by minute the aircraft's detection by radar, recorded conversations, and items found during the rescue operation of the two Cessna planes downed last Saturday."

Mas Zabala said that Cuba is prepared to face "the current and any new sanctions the United States may impose as a result of the incident."

A Cuban Foreign Ministry communique states that "the United States is free to adopt the decisions or measures it may deem pertinent but must be aware that they will inevitably have negative consequences for them too."

Mas Zabala said Cuba will not surrender its sovereignty to any security council or goverment, because of measures or sanctions they might adopt.

Cuban Foreign Minister Roberto Robaina today will attend a UN Security Council meeting where he will present the evidence it has gathered on the incident.

Meanwhile, the Panamanian Foreign Ministry has issued a communique in which it has requested a detailed report from the Panamanian embassies in Havana and Washington in order to carefully evaluate the situation.

The Foreign Ministry's note stressed the need for good communication among states in order to maintain harmony in international relations.

The document added that this incident could provoke a dangerous escalation of tension with unpredictable results for peace, security and stability in the region. [passage omitted]

Cuba: 'David Versus Goliath' Struggle at UN Viewed

PA2802164396 Havana PRENSA LATINA in Spanish 0503 GMT 28 Feb 96

[By Roberto Molina: "Cuba and the United States Again the Center of Attention"]

[FBIS Translated Text] United Nations, 27 Feb (PL) The tension that has existed between Cuba and the United States for over 30 years has increased again and it is now the center of international attention, in a sort of David versus Goliath struggle.

This condition was made evident by the carefulness, the firm position, the resolute language, and the freshness demonstrated by Cuban Foreign Minister Roberto Robaina in contrast with the ambiguousness, the rhetoric, the prefabricated position, and the evasive, but arrogant, attitude of U.S. Permanent Representative Madeleine Albright.

Robaina, who arrived shortly after noon in New York, went immediately to the UN building and held two important meetings with UN General Assembly President Diogo Freitas Do Amaral and Assistant Secretary General for Political Affairs Marrack Goulding.

The main objective of these meetings, made known during two consecutive conferences with a legion of journalists, was to present to those important UN officials, Cuba's position on the events of 24 February, when two airplanes entered Cuban airspace over Cuban territorial waters and were downed.

But Robaina did not limit himself to that, just as Mrs Albright did not limit herself at the UN Security Council, taking advantage of her position as president of that body this month. Robaina reported on the history of such flights, on the multiple warnings his country has issued, the complaints filed to U.S. authorities, and announced that he has evidence that abolutely proves the illegality of these actions.

Robaina officially requested the renewal of UN General Assembly regular sessions to give Cuba the opportunity to present its truth there, practically before the world, and not before a privileged council, which he called the insecurity council.

He not only coined that term, but exposed the U.S. maneuvers in that body to convene an emergency council meeting to present a so-called Cuba case and to approve a document in this regard considering only the manipulated opinion and arguments of one side only.

Robaina denounced the delay in granting him a visa to travel from Denmark — where he was on an official visit — to New York, noting that he was unable to move fast enough to match the speed with which the manipulations at the council moved, thus being unable to take part in the council meeting.

Furthermore, Mrs Albright held a news conference in which she presented an alleged transcript of the conversations between the pirate planes and the Cuban control tower, and the dialogue with the pilots of the Cuban Air Force MiGs as evidence that the actions took place in international waters and not in Cuban waters,

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the U.S. fundamental grounds for all the proceedings it has initiated.

The five-page document has on one of its margins the following inscription: "This is the authorized version of these transcriptions from 1200, 27 February 1996. Destroy all the others."

According to some colleagues, this text constitutes evidence of a crime, because it clearly shows that the United States records and interferes with the communications of Cuban flight control centers, something that can have very serious consequences, but this is another issue.

The U.S. representative, despite the fact that the original dialogue must have taken place in Spanish, made emphasis of the fact that the Cuban military pilots supposedly used offensive language to refer to the pirate airplanes, but she used similar language to say that "that was not having balls [cojones], that was an act of plain cowardice."

In so doing she shocked the women who were present and who characterized such an expression, coming from a lady, who, in addition, is a diplomat, as shocking.

The remainder of the news conference centered on tireless assertions about Cuba's illegal action in international waters, on evasive answers to questions about the violations of the flight chart by the anti-Cuban squad from Miami, Washington's actions to avoid cases of this nature as a result of evident provocations from Florida, and the attention given to Cuban charges in this regard.

The cards are on the table and Goliath, more drunk than ever with its power after becoming the planet's hegemonic superpower, and the blockaded David, now enduring new coercive measures implemented by Washington, but with the force of arguments and evidence in his pouch, are against confronting each other.

The next few days will be very interesting for those who still have faith in justice and are loyal to principles.

Cuba: Robaina's Upcoming Activities at UN Outlined

PA2802160496 Havana PRENSA LATINA in Spanish 0737 GMT 28 Feb 96

[FBIS Translated Text] United Nations, 28 Feb (PL) — Cuban Foreign Minister Roberto Robaina will meet today with the Coordination Bureau of the Nonaligned Movement, at the beginning of his second day at the United Nations.

As he announced to the press yesterday, the objective of the meeting is to explain, with the evidence his country has, the most recent violations of Cuban airspace and territorial waters by airplanes departing from the state of Florida that led to the downing of two of those aircraft on 24 February.

In addition to that meeting, a news conference is expected today, and it is possible that other meetings will be held within the UN framework.

A meeting has been scheduled tomorrow with representatives to the United Nations of the Group of Latin American and Caribbean Countries (Grulac), with a similar purpose.

Robaina, whose initial intention was to participate in the UN Security Council meeting called by the United States in regard to the 24 February incident, was not able to attend due to strong maneuvers, and pressures exerted by the United States to end the meeting before his arrival.

In that way, Cuba was not allowed to present evidence, and the Council was forced to adopt a declaration from its presidency, a post the United States occupies in February. Bruno Rodriguez Parrilla, the Cuban permanent representative to the United Nations, criticized the Council's biased and manipulated stance, which he described as unacceptable.

Cuba has stated its lack of trust in the Council's ability to handle the case due to its magnitude and complexity. Therefore, Robaina has officially requested the resumption of the regular period of sessions of the UN General Assembly to present it to the plenum of representatives from the international community.

Cuba: Ministry Views U.S. Moves in UN Security Council

PA2802142496 Havana PRENSA LATINA in Spanish 0937 GMT 28 Feb 96

[FBIS Translated Text] Havana, 28 Feb (PL) — Cuba today reported U.S. moves to expedite the approval of a statement against the island at the UN Security Council regarding the downing of two pirate aircraft in its national airspace on Saturday.

PRENSA LATINA hereby presents the text of the Cuban Foreign Ministry note:

"With a speed that has overtaken Cuba dozens of times, in particular because it has suffered dozens of aggressions and, in addition, must endure a brutal embargo that has been condemned four times by the UN General Assembly, the UN Security Council met early on Monday to consider the situation created by the downing of two pirate lightplanes in the Cuban airspace.

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The situation illustrates the cost of living in a unipolar world under the hegemony of the United States for small and independent countries.

Under these circumstances, the Security Council, which already had the worst possible history for its partial actions subordinated to the interests of the superpowers, and whose operation is governed by the arbitrary practice of the veto, has become a U.S. Government agency.

After the demise of the Soviet Union and the socialist bloc, which created the basis for uncontested hegemony, the United States, always supported by its Western allies, started a frantic race to turn the Security Council into a sort of high universal court to judge any countries that disobey its designs, and use troops, rallied under the UN's banner, as a police organization with planetary authority.

In a timely fashion and with vigor, Cuba, together with a large number of countries, has been advising of this situation, which reveals the urgent need to work for the UN's democratization and find procedures to make the Security Council more representative and impartial.

The arbitrary actions by the Security Council and the open intervention against numerous countries, contempt for the principle of national sovereignty, anti-democratic methods and the encroachment of functions have not only provoked, not only the distortion of the UN's purpose and activities of the United Nations, but also the overwhelming preponderance of the United States in its decisions.

In the case of Cuba, the United States' enormous capacity to exert pressure was complemented by the fortuitous circumstance that it now occupies the council's rotating presidency.

The United States has not hesitated to use both advantages in its favor. On Sunday, it hastily called a round of consultations, to which the ambassadors, with good reason, argued they did not have enough information on the incident, and that they had to consult with their respective capitals.

Without allowing much time, and particularly without giving any new information, the United States, as president of the council, called the council to an urgent meeting early Monday morning. The Cuban foreign minister, who at the time was on his way to the UN headquarters in New York with the sole purpose of attending the meeting, could not be present.

The attempts by several members to convince U.S. Ambassador Madeleine Albright, who heads the council, to wait a few hours for the Cuban foreign minister to arrive were to no avail.

On the contrary, the U.S. State Department delayed as long as possible issuing a visa to Minister Robaina, who was already in Mexico, ready to continue to New York. The Council approved a declaration at 0330 on Tuesday, and Robaina received his visa at 0430, one hour later.

Here is the text of the declaration:

"The Security Council deeply regrets the downing by the Cuban Air Force of two civilan planes on 24 February 1996, which apparently resulted in the death of four people.

"The Security Council recalls that, in accordance with international law, as established in Article 3 bis of the International Civil Aviation Agreement of 7 December 1944, added by the Montreal Protocol of 10 May 1984, states must abstain from using weapons against civilian planes in flight and should not endanger the lives of persons on board or the aircraft's security; states must respect international laws and regulations with regard to human rights in all circumstances.

"The Security Council asks the International Civil Aviation Organization [ICAO] to conduct an in-depth investigation of the incident and urges interested governments to fully cooperate with that investigation. The Council asks ICAO to report its conclusions as soon as possible. The Council will examine that report and any new information it may receive without any delay.

In fact, because of the correct attitude of some prominent Council members, the approved statement fell short of U.S. expectations.

The truth of the matter, on another note, is that Cuba, even before the Security Council, regretted the loss of human lives stemming from the irresponsible violations to our sovereignty, and we agree on that. But we cannot forget Barbados, where 73 persons, including many teenagers, who did not violate the laws of any country, died in a brutal sabotage. The criminials are being harboured by the United States, and there is no deploring of any kind from the Security Council.

We must define what a civilian plane is. Many crimes have been committed against our country with alleged civilian planes from the United States. We must recall that counterrevolutionary pilots flying "civilian planes" bombed Havana and many other places in Cuba. With "civilian planes," for years they dropped explosive devices and incendiary substances on our sugarcane plantations and economic targets. "Civilian planes" have been used to introduce spies and saboteurs into

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the country. Even more serious, they have conducted biological war actions.

Regarding the ICAO [International Civil Aviation Organization] investigation, even though it is part of the U.S.'s move to take the incident to the Security Council, we do not have it. [sentence as received] On the contrary, we accept it and demand that it be expeditious and objective. It should consider all antecedents and circumstances surrounding the gross provocations that we endured due to the repeated violations of our airspace and the inherent risks to aviation and our country.

We hope that the United States will fulfill its duty to cooperate fully with the investigation according to the Security Council's statement.

There is something, however, that Cuba will not discuss with the Council or experts from any organization: Our right and duty to protect our country's sovereignty, preserve our borders, and defend the independence of our fatherland at whatever cost.

Cuba: Decision Not To Permit 'Provocations' Reaffirmed

PA2802173196 Havana PRENSA LATINA in Spanish 1122 GMT 28 Feb 96

[By Ulises Canales]

[FBIS Translated Text] Havana, 28 Feb (PL) — Cuba is expecting a reply today to its request for authorization to present to the UN General Assembly evidence on the violation of Cuban airspace by U.S. aircraft. Cuba has reaffirmed its determination not to permit any further provocations.

Cuban Foreign Minister Roberto Robaina arrived in New York on 27 February to present his government's version of the events on 24 February, when lightplanes flown by Cuban counterrevolutionaries residing in Miami entered Cuban airspace without permission.

Robaina said he did not go to the UN Headquarters to present pretexts or justifications but, rather, to present Cuba's side of the story.

The local Air Force reacted to the violation by the so-called Brothers to the Rescue, an organization which for many years has been carrying out activities that are supposedly humanitarian but border on the illegal, according to the evidence presented by Cuba, by downing two of the aircraft.

The incident provoked the aggravation of the historically tense relations between the two countries. The situation is marked by a move by the U.S. delegates to the United Nations to expedite the approval of a statement without waiting to listen to the other side's story.

According to Robaina, who reported delays in the issuance of a U.S. visa to fly to New York, what happened at the Security Council early Tuesday demonstrated that the presidency of the Council, which the United States holds during February, demonstrated "more haste than honesty."

Washington argues that the aircraft Cuban fighters downed were civilian and unarmed and that they were flying over international waters when they were shot down, an assertion which Cuban parliament leader Ricardo Alarcon refuted on 26 February with several pieces of evidence.

Shortly after the incident was reported, U.S. authorities contacted Cuban authorities, both in Havana and Washington, to coordinate search and rescue operations for the two lightplanes and the crew members who are still missing in Cuban waters, Alarcon said.

In addition to airing remarks by one of the Brothers to the Rescue pilots over the local television reporting the organization's nature and objectives, Cuba says it possesses material evidence obtained from the aircraft downed on 24 February. Alarcon said he would present this evidence at the proper place and time.

Local and foreign analysts agree with the White House authorities themselves in admitting that last Saturday's air raid was not the first of its kind, nor were there Cuban warnings on the danger that such provocations represent and the consequences they could bring about. The two governments exchanged messages via diplomatic channels. There is even a message dated October 1995 in which Washington thanked Havana for helping clarify an investigation of Jose Basulto, head of the anti-Cuban group, who is charged with violating the Cuban airspace in disobedience of international aeronautics standards.

U.S. lawmakers, experts, and observers estimate that the record of actions of Brothers to the Rescue, which has violated federal law many times, shows the effects of a policy of tolerance the U.S. authorities maintain in favor of Cuban-born, belligerent, and far-rightist sectors.

The FBI itself has admitted that the legal proceedings against the doers of such practices have been minimal and that only those individuals difficult to control have been put behind bars.

While Havana is preparing to advance toward the outcome of the litigation by diplomatic means, President William Clinton is pressuring for the United Nations to take reprisals against the island and at the same time is adopting measures to intensify the economic, financial, and commercial embargo the United States has been enforcing against Cuba for more than 30 years.

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According to observers, such actions (described here as unfair and cruel) intend to satisfy U.S. ultra-conservative sectors, particularly those that are Republican and Cuban-born, in an electoral year in which Cuba as a subject plays a more important role in domestic affairs.

Consistent with the position taken during the 37 years of revolution, the government of President Fidel Castro has warned in a Foreign Ministry statement that it "is neither afraid of nor tolerates threats," a position which agrees with the one Revolutionary Armed Forces Minister Raul Castro expressed on 26 February.

During a meeting of the plenum of the Western Army's Military Council, Castro, who is also first vice president, urged the officers to "pay the greatest possible attention to defense" and said "a new campaign of lies and threats against Cuba has been orchestrated again, but they will not make our people lose sleep."

"The enemy will never catch Cuba by surprise," Castro said during the meeting, in which it was announced that the Western Army "has improved its fighting capability with satisfactory results."

Cuba: Nunez Mosquera Explains Strategy at United Nations

PA2802203296 Havana Radio Rebelde Network in Spanish 1255 GMT 28 Feb 96

[Telephone interview with Pedro Nunez Mosquera, Cuba's alternate representative at the United Nations, in New York, by an unidentified reporter and Marina Menendez Quintero in Havana on 28 February; from the "Doing Radio" newscast — recorded]

[FBIS Translated Text] [Reporter] We have on the line our alternate ambassador to the United Nations, Pedro Nunez Mosquera. Good morning.

[Nunez Mosquera] Good morning! Greetings to the people through "Doing Radio."

[Reporter] The people know the statements our foreign minister made last night regarding his obstructed trip to New York, his arrival there, and how our country plans to bring to light, through the Cuban mission, irrefutable evidence on the meaning of this period of violations of our air space and what it represents as a threat to our sovereignty, and to explain, especially, the justice of the adopted measures.

I also invite you to talk with our reporter Marina Menendez Quintero, from the International News Office, who has been receiving reports from various parts of the world, reports that have to do, of course, with decisions that have been adopted at the UN Security Council without the presence of the Cuban foreign minister.

First of all, please tell us what has happened recently at the United Nations and, or, in our mission.

[Nunez Mosquera] The Security Council rushed to analyze the situation under pressure from the United States, which is presiding over the Council, knowing that Cuba's Foreign Minister Roberto Robaina would be arriving a few hours later. Yesterday the minister met with the president of the UN General Assembly, Diogo Freita Do Amaral, from Portugal; and with Marrack Goulding, assistant secretary general for political affairs, to request the floor at the 50th General Assembly Session. This request has been made. Consultations are being set up to see when the assembly session is convened.

Today at 0800, Foreign Minister Robaina will hold a news conference at the permanent Cuban Mission at the United Nations and at 1000 he will meet with the Coordination Bureau of the Nonaligned Movement. Tomorrow afternoon he is scheduled to meet with the Latin American group here in New York. This is what I can tell you. Foreign Minister Robaina has sent a letter to the secretary general of the international [words indistinct] organization proposing a thorough investigation of the events and stating that Cuba is prepared to cooperate and hopes the United States cooperates honestly in this case.

[Menendez] There is no certainty on whether the foreign minister's request for new General Assembly sessions has been accepted?

[Nunez Mosquera] No, not yet. The president of the General Assembly has asked his legal adviser for a decision on this. There is a decision. There are several possibilities, there are mechanisms. Consultations have to be made with the various presidents of regional groups, and we are in this process right now. We think that the results will be positive and that the Assembly will convene a session soon. The foreign minister at 1000 will meet with the Coordination Bureau of the Nonaligned Movement.

[Menendez] This is a technical question, to give it a name: If there is a convening of the UN Security Council, could the resolution that was adopted be canceled or could a new resolution be adopted?

[Nunez Mosquera] No. We don't expect that the Security Council will analyze this again. The purpose of convening the General Assembly is so that Cuban Foreign Ministry may present its position at a larger forum. The General Assembly is the most democratic forum of

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the United Nations. There, all the states are equally represented and all the states are represented. This is not an organ like the Security Council. We believe this is an adequate forum for presenting Cuba's position. We do not expect any resolution. We just want the United Nations to know Cuba's side of the story, which the Security Council, under U.S. pressure, was unable to learn.

[Reporter] Do you have the information that in various parts of the world and in our country, of course, there are demonstrations in support of Cuba's sovereignty and of the measures that have been adopted, even if the loss of human lives is being regretted?

[Nunez Mosquera] We know this. In Cuba, our best resource is our people, and the position of our people and the solidarity of our friends encourages us to continue working.

[Menendez] The UN Security Council response to the U.S. call was quick, but the response to the Cuban request is being delayed.

[Nunez Mosquera] Yes. At the United Nations there is much work going on to democratize the Security Council. Especially now, in this unipolar world, it is not very difficult for the United States to impose pressure on the Council, unfortunately. This is what happened on this occasion. This should lead us to realize that the Third World countries and the Nonaligned Countries must double efforts to democratize the Security Council and to introduce new rules of the game and change those that exist now.

[Reporter] Thank you Ambassador Nunez Mosquera.

Cuba: Official Says People Ready To Defend Sovereignty

PA2802165096 Havana Radio Havana Cuba in Spanish 1300 GMT 28 Feb 96

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Army General Raul Castro, Cuban Armed Forces Minister, in regard to the downing of two U.S. lightplanes that violated Cuban airspace, has said that the people are prepared and determined to defend the national independence and sovereignty from U.S. threats.

During the plenum of the Western Army's military council, Castro said that the enemies of Cuba are attempting to strangle the country economically and promote confrontational actions, but are not aware of the Cuban people's courage and determination to defend the homeland at all costs.

Cuba: Radio Reports Guatemala's Arzu Against Embargo

PA2802170596 Havana Radio Havana Cuba in Spanish 1300 GMT 28 Feb 96

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Guatemalan President Alvaro Arzu has said that the U.S. Government's decision to tighten the economic embargo against Cuba after the downing of two lightplanes that violated Cuban airspace is regrettable and not very appropriate.

Arzu, who is visiting Mexico, said it is essential to become familiar with the incident to avoid extremist positions. He said that Latin American countries should make pronouncements on Cuba's behalf. In this regard, Uruguayan Vice President Hugo Batalla rejected and condemned the unilateral measures that President William Clinton announced against Cuba. Batalla said these measures respond to the international policy of arrogance that Washington practices.

The Canadian Government also opposed the U.S. plans to tighten the embargo against Cuba. The Sandinist National Liberation Front of Nicaragua described as hasty the U.S. measures against Cuba and said that the downed planes violated Cuba's territorial sovereignty.

In addition, Mexican deputies and politicians agreed that the downing of the two aircraft in Cuban airspace was provoked by U.S. militarist sectors' interest in tightening the embargo against Cuba and hampering Cuba's incorporation into the world economy.

Bolivian Deputy Ricardo Paz of the opposition party Conscience of the Fatherland and Patricio Alles, secretary general of Chile's Party for Democracy, also condemned the measures against the island.

The Russian Government described the actions of the U.S.-based planes as a deliberate violation of Cuban airspace.

Cuba: Robaina Demands 'Quick and Impartial' Probe

PA2802200696 Havana PRENSA LATINA in Spanish 1627 GMT 28 Feb 96

[FBIS Translated Text] United Nations, 28 Feb (EFE) — Cuban Foreign Minister Roberto Robaina announced today that his country has asked the International Civil Aviation Organization (ICAO) to investigate, not only last Saturday's incident, but "all the background and circumstances surrounding the brazen provocations" against Cuba.

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In a statement he read to journalists, Robaina accused the United States of delaying the granting of his visa to enter the country to present the Cuban version of the incident, before the UN Security Council's approval of a declaration early Tuesday morning. In that document, the Council "deeply regretted" the downing of two U.S. civilian planes by Cuban fighter planes.

Robaina explained that it was not until one hour after the UN Security Council approved the declaration that Washington gave him the visa to travel to the United States for the UN meeting.

The UN declaration requested an investigation by the ICAO of the incident in which four people were killed.

"We do not fear" an investigation by the ICAO, Robaina said. He added that his country has formally asked that organization to conduct an investigation that should be "quick and impartial on the constant violations that planes originating in the United States have been committing for years, including the 24 February incident."

"We are convinced that we possess the truth. The proportions, to which the United States has blown the incident up, severely affects regional peace and security. Our country expects the arrival of that mission starting today and hopes the United States will not hinder its work, and that instead, it will cooperate with the investigations," he stressed.

Clearly reflecting the escalation of Cuban tension, "it was not a problem of balls [cojones], but of cowardice." By saying that, "we have always had more than enough of the former, and we have never suffered from the latter." [sentence as received]

"Precisely because we have them, and because we are not cowards, for 37 years we have been able to resist the attacks, terrorism, and the most arrogant threats from the world's largest power that she (Albright) represents," Robaina said.

The Cuban foreign minister said that before downing the two planes of the Cuban exile organization "Brothers to the Rescue," which has its main office in Miami, his country applied "all the methods" of persuasion and finally ran out of patience.

He explained that the two planes began violating Cuban airspace five hours before they were shot down. He added that during those five hours, his country "issued warnings by all possible means."

Regarding the "Brothers to the Rescue" organization, Robaina said "it has nothing to do with civil aviation," and that "air pirates do not necessarily have to be armed."

Asked about an announcement made by Brothers to the Rescue, that next weekend its aircraft will again overfly the area where the incident occurred, Robaina said that "we have never worked under threats." That organization is already threatening us.

Robaina, who described the UN Security Council as "insecure and submissive" to the United States, has requested the resumption of the UN General Assembly sessions in order to present his country's version of the plane incident, in which Cuban fighter planes downed two light aircraft belonging to the Cuban exile organization "Brothers to the Rescue," headquartered in Miami.

While waiting for the resumption of the UN General Assembly session, Robaina said he will work "on a mechanism for an alternate Assembly."

Within that context, Robaina met this morning with the ambassadors of the group of nonaligned countries and announced that later on he will give a news conference, where he will refer to previous violations of the Cuban airspace, complicity, and new threat against his country.

Cuba: Minfar Members, Workers on Support For Government

PA2802220296 Havana Radio Rebelde Network in Spanish 1800 GMT 28 Feb 96

[From the "National Radio News"]

[FBIS Translated Text] Chiefs, officers, and civilian workers of the Minfar [Ministry of the Revolutionary Armed Forces] and the general staff today stated their full support for the measures adopted by the Cuban Government to guarantee our airspace.

Journalist Teresa Valenzuela recorded a portion of the speech given at the ceremony by Brigadier General Jorge Romero, chief of the Minfar directorate.

[Begin Romero recording] We have confidence in our commander in chief. We have confidence in our Minfar minister. We have confidence in our people. We are proud to be what we are, like the people who time and again have launched the independence struggles until independence was achieved, because we are altruistic, sensible, human, hard-working, and stoic people who resist in this difficult hour and carry out a heroic sugarcane harvest to come out well ahead. [end recording]

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Cuba: Radio Cites AFP Report on Airspace Violations

PA2802223796 Havana Radio Rebelde Network in Spanish 1800 GMT 28 Feb 96

[Commentary by Orlando Contreras; from the "National Radio News" newscast]

[FBIS Translated Text] The French news agency AFP yesterday sent the following dispatch from its Washington office: A government source on 27 February reported that, following the downing of two light aircraft on 24 February in the region of Cuba, the White House asked U.S. aeronautical authorities to examine what measures could be taken against the anti-Castro movement Brothers to the Rescue.

The AFP dispatch further on adds, and I quote: U.S. authorities have admitted that Brothers to the Rescue in the last few months has repeatedly violated the Cuban airspace and that efforts to convince the group to cease this type of activities were in vain. Meanwhile, and I continue to cite AFP, a White House spokesman, David Johnson, said he was certain that the Federal Aviation Administration, FAA, will have reached certain conclusions before the weekend, refusing to note what these conclusions could be.

Since August, the last paragraph of the AFP report I am citing reads, the FAA is subjecting the founder and president of the movement, Jose Basulto, to a disciplinary hearing; the FAA wants to revoke his pilot's license following a violation of the Cuban airspace on 13 July. This is what the 27 February, Washington-datelined AFP dispatch states.

An aphorism that comes from Roman Law says: After admission of guilt, no proof is needed. In this case, Cuba has much more evidence, some of which has already been made public, that confirm three things: First, the U.S. Government was aware of the moves of Jose Basulto and his airborne gang opposing both international and U.S. civil aviation guidelines to the extreme of asking Cuba to submit substantial elements to be included in the charges against Basulto. Cuba sent these records, and Washington was grateful for it. Second, the two Cessna planes were downed on Saturday, 24 February as they flew in Cuban skies and over Cuban territorial waters, following warnings to the pilots that they should not proceed to land near Havana. Third, the operations of Basulto's gang cannot be considered civil flights, because they were linked to terrorist and subversive plots. There are tangible facts attesting to this fact.

I believe that it is positive for Washington to decide to proceed to taking measures against Basulto and his partners. However, why did it not do it before? Why did the U.S. authorities allow the laws of their own country, international aviation regulations, and Cuban sovereignty and laws to be violated? How is it explained that an individual whose pilot's license the FAA wants to revoke goes to Washington, along with millionaire and petty politician of Cuban origin, Jorge Mas Canosa, to participate in Washington in first-level political lobbying, prior to the forced UN Security Council meeting and before President Clinton announced new retaliations against Cuba? Who is Basulto: A White House adviser, a congressmen's aide, a key figure in a covert action, or violator of U.S. laws, international law, and Cuban sovereignty and laws? Washington's determination to continue to regard pirate flights as civil flights is a violation to common sense, people's intelligence, and the civil aeronautics guidelines.

The flights of civil aircraft follow a known flight plan, identify themselves, and do not enter the airspace of other countries without an authorization. A plane per se is not civil, military, or pirate; its connotation depends on its use and the objective of its crew. With the same plane, tourism is encouraged, a fire is ignited, or passengers or occupation troops are transported. A plane is an object similar to a scalpel. In the hands of a surgeon, it is an instrument for health and life; in the hands of a criminal, it is a dagger of death.

Cuba: Radio on International Support for Cuba's Position

PA2802225096 Havana Radio Rebelde Network in Spanish 1800 GMT 28 Feb 96

[From the "National Radio News" newscast]

[FBIS Translated Text] Expressions of support for the Cuban position continue in various points of the planet and more voices are being raised to condemn the United States' hostile attitude toward Cuba.

Demonstrators in Santiago de Chile shouted "Long live Cuba!" several times when U.S. Secretary of State Warren Christopher crossed the main square in downtown Santiago de Chile, where he arrived yesterday for an official visit.

The Mexican magazine SIEMPRE termed as biased and slanderous the United States' version regarding the shooting down of two small airplanes that repeatedly invaded the Cuban airspace. In the same edition the magazine joined the expressions of condemnation regarding Washington's current anti-Cuban escalade.

Moreover, the newspaper EL DIA stated that to defend Cuba is to defend Mexico.

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The Colombian newspaper EL ESPECTADOR stated in a commentary that was published on Wednesday that the shooting down of two airplanes which violated the Cuban airspace represents an example for our continent and a lesson of dignity for the great power.

Another cable report states that Cuban emigrants living in New York accused the U.S. authorities of provoking the incident, which is the result of illegal activities by terrorist groups based in Miami.

Meanwhile, representatives of House of the Americas, the Cuban-North American Committee for Research and Education, and Cubans Against the Blockade stated their support for the position in favor of defending Cuba's sovereignty as stated yesterday by various organizations of Cuban emigrants settled in Miami.

Cuba: Envoy Says Samper Comment on Downing 'Hasty'

PA2902001096 Havana PRENSA LATINA in Spanish 1921 GMT 28 Feb 96

[FBIS Translated Text] Santa Fe de Bogota, 28 Feb (PL) — Cuba today expressed its disagreement with the opinion issued by Colombia on the downing of two U.S. aircraft that violated Cuban airspace, saying the pronouncement does not express the feeling of the Nonaligned Movement [NAM].

In statements to the press, Cuban Ambassador to Bogota Jesus Martinez Beaton said that his government does not share the view of Colombian President Ernesto Samper, who yesterday affirmed that "it would have been prudent to use all dissuasion resources at hand to cause the peaceful withdrawal of the aircraft, without the need to resort to force."

Martinez Beaton, in an immediate reaction to the statements by the president, indicated that Samper made a hasty assessment during his New Year speech to the heads of diplomatic missions accredited here.

There is a discussion going on at the UN Security Council; our country acted in keeping with international law, in the defense of its sovereignty, its patience was exhausted, the ambassador noted. He warned there is hard and irrefutable evidence that these events took place over Cuban territorial waters, the Cuban diplomat explained.

He also added that, after sending official communiques to the U.S. Government, Washington expressed its opposition to this kind of interference and meddling and stated publicly that it will not respond to the actions of Cuba if these violations continued.

In another part of his speech, Samper yesterday stressed that his administration hopes that this incident will not hinder Havana's and Washington's bold and promising efforts to improve their relations, and highlighted that Latin Americans expect that the hopes for an end to the Cold War also extend to the region.

Asked if Colombia made these statements in its capacity as president of NAM, the Cuban ambassador ruled out that possibility, arguing no consultation has been held to produce an assessment from the group most representative of the Third World.

Responding to another question, Martinez Beaton recalled that Cuba has been the victim of terrorist actions and crimes throughout the history of the revolution, and remarked that "we don't negotiate the sovereignty, independence, and ability to defend our security with anyone, nor are they up for public discussion or the consideration of any government."

Meanwhile, Juan Manuel Santos, Colombian presidential hopeful and prominent columnist with "EL TIEMPO" newspaper, this morning deplored Samper's assessment on Cuba, which he also termed hasty.

In his regular commentary on RCN Radio Network, Santos recommended prudence before a definitive assessment is issued on the air incident. "If the sovereignty of the island was indeed violated, Cubans are absolutely right. In any case, we must wait for the conclusions of the investigation," he added.

Santos, former foreign trade minister during the Cesar Gaviria administration, criticized the "lack of ethics" from the president in his statements. He did not take into consideration the important role played by Cuba in NAM and his condition as president of the movement, he asserted.

Santos noted that, curiously, Samper spoke in these terms at a time when the annual U.S. certification to countries that cooperate in the drug struggle is in danger and at a time when his permanence in office is being discussed. "I smell an attempt to gain Washington's favors, and in the end Colombia will be without one or the other."

In a poll conducted by the powerful Caracol Radio Network, the population expressed their views on the downing of the pirate aircraft that violated Cuba's sovereignty last Saturday.

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Cuba: Robaina Warns Groups Planning To Violate Airspace

PA2902014496 Havana PRENSA LATINA in Spanish 2358 GMT 28 Feb 96

[FBIS Translated Text] United Nations, 28 Feb (PL) — Foreign Relations Minister Roberto Robaina today stressed to the counterrevolutionary groups operating in Miami that if they enter Cuban territorial waters and airspace, they will be running the same risks that anyone who attempts to violate Cuban territory is running.

This is how Robaina responded to a question from UN correspondents on statements made by representatives of these Florida organizations that they will again conduct an incursion to the place where the 24 February incidents occurred, when two pirate planes were downed for illegally entering this area.

It seems, he added, that they are saying this with so much confidence, they are not even requesting authorization from the place they are leaving to do this; instead, they believe they already have the authorization.

"It is possible," Robaina went on, "that they have a permanent permit from the country that is authorizing them to leave."

He maintained that neither one of the 24 February incidents, let alone the records on similar incidents, have changed in any manner whatsoever his country's position on anyone who violates our airspace, whether by air or by sea.

"However, I do not have to make threats; Cuba has never worked with threats. I am simply stressing our position," he pointed out.

As for the reasons that made Cuba make the 24 February decision — not that of neutralizing the lightplanes — he explained that it happened like this because all the other methods used in 35 years of illegal incursions had not worked and patience wore out.

That day, Robaina added, the provocative flights started at 1000 hours, and up until then, his country had warned them by all possible means that they should not proceed.

The foreign minister said that the documents the United States made public are helping to prove Cuba's truthfulness, because they deal with radio conversations, which clearly explain, among other things, how our side was being warned even of this violation. [sentence as received]

"However, it seems that not everyone wanted to run the same risk and that someone tried to steer the operations from international waters. It seems that he was taking good care of himself, not of his brothers. Then, they are not good brothers after all, nor were they very interested in rescuing those who were part of the mission," the Cuban minister affirmed.

Questioned on the territorial waters and their many interpretations, he explained that Cuba has defined its air and maritime space in its Constitution and its laws and that there cannot be any discussions on this.

We Cubans do not have to discuss absolutely anything with anyone regarding what we are convinced is our airspace and our territorial waters, Robaina stressed.

He asserted that there are all sorts of elements attesting to this assertion, elements that are recognized by all those who had to recognize them.

Minister Robaina pointed out: "However, it seems that the world standard, the policeman that goes around the world — which has a hand that we cannot say is black, a hand which, ultimately, we would have to say is white, which goes around the world and intends to own it — also wants to redefine our airspace and our territorial waters."

Cuba: Report on Robaina's News Conference 28 Feb

PA2902043596 Havana Radio Havana Cuba in Spanish 0000 GMT 29 Feb 96

[Report by Barbara Betancourt on statements by Cuban Foreign Minister Roberto Robaina at a news conference in New York City on 28 February; passages within quotation marks recorded]

[FBIS Translated Text] [Betancourt] As he had promised, Cuban Foreign Minister Roberto Robaina granted a news conference in New York in the afternoon of 28 February. He made public evidence in the hands of his government regarding the complicity of U.S. authorities in incidents similar to the one that occurred on 24 February when two pirate U.S. planes were downed for violating Cuban airspace after ignoring repeated warnings.

Before offering details on this regard, the Cuban foreign minister thought that it was advisable to inform the media about a meeting that took place in the morning at the Coordinating Bureau of the Nonaligned Movement:

[Robaina] "This morning during a meeting of the Coordinating Bureau of the Nonaligned, which was described as impressive by diplomatic sources because of the turnout and the unanimity of the criteria that were expressed, the Bureau, on behalf of the movement, decided to support Cuba's request to summon a session of the General Assembly called Ten Years of International Law to allow the entire community of nations to

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hear our arguments and our powerful reasons; to understand how many falsehoods and how much hatred and electoral politicking exists in all the intrigues created around the 24 February incident. One after another, 27 countries took the floor and supported our request."

[Bethancourt] He immediately offered the international public opinion what he described as only a selection of about 25 violations of Cuban jurisdiction and sovereignty in the past 20 months as well as the corresponding notifications that Havana forwarded to U.S. authorities regarding such incidents. He also referred to new threats against Cuba and the way his country views them, and this is, he added, an exercise that the world should also make to understand what awaits us in an unipolar world controlled by the United States. Let us listen to the revelations that Robaina made that serve as background to the 24 February incident:

[Robaina] "In the past 20 months we have observed growing developments of a political campaign whose main goal has been to provoke a confrontation between the governments of the United States and Cuba through repeated violations of territorial waters and airspace. Such violations have been carried out by extremist organizations and individuals with known terrorist backgrounds that operate and act with absolute impunity from U.S. territory.

"Cuba has evidence it has presented and it is willing to continue to present sufficient files to demonstrate with how much patience we have endured more than 20 incursions into our jurisdictional waters and space in the past 20 months. (?Actions) of this sort have taken place despite repeated warnings that they would not be tolerated for much longer and that our patience has a limit.

"24 February: Prior to the downing of the two pirate aircraft as they violated Cuban airspace, in the morning our air and maritime space was penetrated by three planes of the same type. In the afternoon, as they headed for Cuba again, they were warned again that our defenses had been activated in the entire airspace north of the capital and about the risk that penetrating it entailed.

"These are not new or isolated events. In fact, they are an integral part of the known policy of hostility, aggressions, and threats of all types of which we have been victims in the past 35 year, that include — just to cite a few — the Bay of Pigs invasion, nuclear destruction threats, attacks on leaders, bacteriological war, sabotages, and more than 30 years of blockade. This is not the first time that Cuba has denounced this policy."

[Bethancourt] When the foreign minister got to this point in his explanation, he contrasted the prompt attitude the UN Security Council took on this occasion with its behavior toward the aggressions Cuba has withstood in the last few years.

[Robaina] "In the context that it promptly got together at the call of the master, we have denounced more than once that terrorist activities that the U.S. Government has promoted, encouraged, or tolerated are taking place against Cuba. We cannot, as I said earlier this morning, stop remembering that, in Barbados, 73 people, including numerous teenagers who did not violate the laws of any country, died during the brutal sabotage to a Cubana de Aviacion civil airplane. The United States continue to protect the criminals, without the very concerned and sensitive Security Council regretting it. We still cannot forget that a Cuban merchant vessel with its crew on board was savagely shelled by the U.S. Coast Guard when it was sailing through international waters in the Gulf of Mexico. We cannot recall the quick Security Council issuing any quick statement on these incidents, because, of course there was not any."

[Bethancourt] Robaina devoted the following few minutes to comment on the evidence Cuba has on the complicity of U.S. institutions in the adventurous provocations of the anti-Cuban mafia quartered in Miami.

[Robaina] "As for the complicity, we can also say that we have reliable information involving U.S. federal agencies that were completely aware that the organization Brothers to the Rescue would take the chance of making another provocation against Cuba on 24 February. A pilot of that organization, who you all are aware is in Cuba, has clearly disclosed the FBI ties with this organization. This pilot regularly informed FBI agent Oscar Montoto, alias (Flick Man), of all the operations Brothers to the Rescue carried out. His beeper number is 3734575578, which, by the way, if he has not changed it, someone may want to contact him from this institution.

"As a result of this evidence and these statements, the FBI itself has recognized the authenticity of agent Oscar Montoto, who is in charge of Dade County. If this were not enough, this pilot disclosed, as a Cuban program, "This Very Day," reported, to U.S. television networks in Havana that he had been informed on 21 February of Cuba's resolve to intercept any plane that would violate the Cuban sovereignty. He was also told that it would be very risky to conduct the 24 February action.

"Juan Pablo Roque, who is the pilot, gave this information to his chief, Jose Basulto, who is the leader of Brothers to the Rescue, warning him of what would happen and recommending to him not to launch this

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suicidal action. Basulto's reply was to carry out the action and enter Cuban jurisdiction, but he was to remain outside the international limit, being fully aware of the what could happen to his accomplices, because, according Roque, they needed martyrs to boost [calzar] the marketing [preceding word in English] of his organization.

"This does nothing more than confirming what we have said for a long time that U.S. authorities have been and are fully aware of the activities these groups have been conducting and that they have not taken any effective measure to prevent them."

"With regard to the violations, the number of arbitrary actions is large and extensive since we attempted to condemn them in this same forum 35 years ago, when they invaded us in Bay of Pigs, or one year later, when they attempted to impose on us a nuclear blackmail. These violations included from the manipulation and harassment against our delegations at the human rights and blockade discussions to the most shameless pressure to convene the Security Council, in an opportunistic manner, to try to obtain political advantages from any incident.

"Since the country achieved its full and definitive independence and decided to follow its own path, thousands of violations of international law have been perpetrated against us. For instance, on 15 May 1994 five aircraft from Florida violated national airspace. Between 17, 25 and 29 May, 12 aircraft, also coming from Florida, entered the national territory. And on 10 July and 10 November, three aircraft again violated Cuban sovereignty by crossing the border, without permission, and dropping for the first time fliers against the Constitutional Government of Cuba.

"More recently, on 4 April and 13 July 1995, these events repeated with the entry of one and four aircraft, respectively, to the Cuban sovereign airspace, which flew over prohibited zones and over the capital of the Republic at a low altitude dropping subversive propaganda. These events repeated on 9 and 13 January 1996, when two aircraft from Opa Locka again flew over national territory and again dropped anti-constitutional propaganda, known as leaflets.

"All these actions were reported, in a timely fashion, by our diplomatic section to the U.S. Interest Section in Havana, and in a letter from the Cuban Institute of Civil Aeronautics to the Federal Aviation Board of the United States. In it, Cuban authorities reported the flagrant violation of Cuban laws, U.S. laws, and international law. It seems that none of this was not enough."

[Bethancourt] Later Robaina explained the opinion of Cuba on the latest threats made by the U.S. Government against the island, as well as the U.S.'s deceptive behavior.

[Robaina] "Cuba several times notified the Department [el Departamento] of the occurrence of these violations. They know very well that we have copies of all the notes we delivered. Pentagon authorities, Coast Guard Service, and Aeronautics Service officials recognized, more than once, the illegality of said actions, but they never prevented them.

"The perpetrators of the violations kept the FBI posted of all their steps. The administration knew about it and this is complicity.

"The statements coming from the United States continue to be very contradictory. They reached the conclusion that the incident took place in international waters, and they forget about how many times they asked for permission, and it was granted, to investigate in Cuban jurisdictional waters. They were alerted and urged to stop their actions for five hours, until all alternatives were exhausted. There was no other way but to use force in order to end impunity.

"However, I want to refer now to something in particular. The 1944 International Civil Aviation Agreement, about which so much has been said, bans the deliberate use of civil aircraft with purposes inconsistent with their functions. There is a protocol from 1984 which contains the famous (?Article 3 bis). The implementation of this protocol required the ratification of 102 signatory countries, of which so far only 82 nations have sanctioned. Although it may seem incredible, among the countries of the world opposed to that text, which, consequently, have not ratified it, is the United States. And there is something very interesting, eight members of the current Security Council have not yet approved it. In other words, we are being judged by an instrument without legal force. Then, what is the law for? To ignore it, reject it, oppose it, or, in case of observing it, to manipulate it when it involves others. This position is incredibly hypocritical, cynical, shameless, and illegal."

"Nevertheless, the agreement states quite clearly that every state has the right to demand, and force, the landing of any aircraft that violates the state's sovereignty using a civilian license number. Also, the use of civilian aircraft for actions that involve a threat, violate national regulations or other states' regulations, or threaten peace is incompatible with international law principles. Even in the alleged case that they were looking for rafters, which was not true, international laws also prohibit this action because it involves support to illegal immigration.

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"Moreover, the zone of the incident was a no-fly zone and they were repeatedly warned about this. As any other sovereign state, we reserve ourselves the right to restrict — under any circumstances which may determine this — all the flights over our territory or part of the same. The famous and so noble downed aircraft were not civilian aircraft; they were pirates and, as violators of the law, they had to face the consequences of their irresponsible actions. They refused to heed the warnings. They are saying this and, to compound it, they are proud of this. They refused to follow orders to abandon our airspace. They rejected all the efforts to make them land. There was no other alternative but to interrupt the flight. We acted too honestly and we have been too patient and excessively tolerant. The attempt to assume the role of judge — based on an article of this protocol of the agreement that the United States disowns, has serious reservations about its contents, and has never ratified — is hypocritical."

[Bethancourt] After referring to measures that were personally announced by U.S. President William Clinton against Cuba, he gave his opinion on them.

[Robaina] "In the heat of the discussions about the incident, and without considering the arguments and the truth of the Cuban party, the U.S. administration hastily came to a conclusion: Issue wild threats and announce measures that are more like a fulfillment of extreme-right groups' political programs, and that particularly satisfy the warmongering appetites of the Cuban-American mafia.

"This is now compounded by the aggressive statements that were given by Secretary of State Warren Christopher. Many believed Mr. Christopher was a wise person who spoke when he had elements, not like the wild Miami politicians. The only reply that his threats deserve has been given by my people for over 35 years. Nothing, absolutely nothing that represents a threat to our national security makes us lose our sleep. We have become used to living under threat. We know this is the price to be paid for living without a master, without having to humiliate ourselves, and without having to say: Yes, sir.

"All I can tell Mr. Christopher is that, when he has to implement the measures, he should also comply with them — along with the cannon fodder he will send us. The defense of my country is above any political fetters and anyone's political campaign. Our people vote with the weapons they won and have in their hands; and, on more than one occasion, they have given tangible proof to the world that their dignity, independence, right to speak, sovereignty, and liberty cannot be threatened or impeded with impunity — unless those who try it are willing to pay dearly, with their lives, for their effrontery."

Cuba: Robaina on UNSC Deliberations, Albright's Remarks

PA2902024396 Havana PRENSA LATINA in Spanish 0029 GMT 29 Feb 96

[FBIS Translated Text] United Nations, 28 Feb (PL) — Cuban Foreign Minister Roberto Robaina today expressed assurances that his country is telling the truth and, consequently, he asked the International Civil Aviation Organization (ICAO) to conduct an investigation into the violations of Cuban airspace.

In an improvised news conference at the entrance to the UN building, Robaina stated that, although that investigation is part of the U.S. maneuver to present the 24 February incident before the UN Security Council, Cuba is not afraid of it and, on the contrary, accepts the investigation and demands that it be fast and impartial.

Upon mentioning the letter sent today to the Secretariat General of ICAO, he said that the Cuban Government asked that the study "take into account all the preceding events and circumstances surrounding the open provocations we have sustained of the repeated violation of our airspace and the risks entailed for air navigation and our country."

He added it must include the 24 February incident, when two pirate aircraft flew over Cuban territorial waters and airspace and were downed. He said he trusts the United States will not block and instead cooperate with this investigation.

Robaina read the Cuban Foreign Relations Ministry note, disclosed in Havana and here at the United Nations at the same time, in which his country responds to the declaration of the Presidency of the Council adopted in the early morning hours of Monday, after a 16-hour meeting characterized by pressure and manipulation from the United States, which this month holds the Presidency of this organ.

This document, as the foreign minister said, was very different from the one the United States tried to impose, given the dignified attitude of some important members of that organ, but it attempted to sit Cuba on the dock and twist events.

Robaina remarked that he traveled to the United Nations to talk before the Council in order to state Cuba's position, but they refused to wait for him and were not interested in hearing what the Cuban foreign minister had to say on behalf of his country.

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Therefore, since we don't care what this Security Council thinks, says, or does, we have requested the resumption of the 50th period of sessions of the General Assembly, he stressed.

It is particularly surprising that this organ, Robaina expressed, always slow and neglectful, has advanced so rapidly under the pressure of the U.S. delegation, in its condition as president.

"So many things surprise us that we would take forever to list now the shows of arrogance, authoritarianism, and cynicism that have acccumulated in this story. In due time, we will present our viewpoint about those and many more surprises," the Cuban foreign minister promised journalists.

He stated he also corroborated that this UN organ, insecure and submissive, has always had one single president, in reference to the United States.

"And since that president censures in a totalitarian manner the opinion of other parties, this channel of communication with you becomes very important, in the hope that the regular procedures allow me to get to the plenum of the General Assembly," Robaina stressed.

Finally, Robaina commented on statements by Madeleine Albright, U.S. representative to the United Nations, who in a news conference and "using language seldom used in diplomacy or by a lady" affirmed, with respect to Cuba, that this "was not a problem of balls [cojones], but of cowardice."

The Cuban foreign minister stated: "I only wanted to respond that we have always had the former to spare and from the latter we have never suffered."

"Because we have them and are not cowards, we have been able to resist the attacks, terrorism, and most shameless threats from the main world power she represents here for 37 years," Robaina concluded.

Cuba: Robaina States Charges Against UN Security Council

PA2902043096 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 29 Feb 96

[From the "NTV" newscast]

[FBIS Translated Text] Cuba today began a battle at the UN headquarters to include in the 50th Assembly General plenary session the position and truths regarding the 24 February events in Cuban airspace and waters.

Cuban Foreign Minister Roberto Robaina said in a news conference it was surprising how the UN Security Council — which is slow and neglectful — worked so diligently given the pressure exerted by the U.S. delegation, which was acting as president of the organization.

Robaina added that, in fact, we have also ascertained that the council has always had one master, which censures other countries' opinion in a totalitarian manner. He also termed the Security Council insecure and submissive.

Robaina announced Cuba had delivered a formal request to the secretariat of the International Civilian Aviation Organization to start an investigation into the facts. He also demanded an in-depth, quick, and impartial investigation of Cuban airspace violations by aircraft coming from the United States.

Cuba: Comparision of Foreign Ministry Note on Aircraft

PA2902044396 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 29 Feb 96

[Comparative version of "text" of the Cuban Foreign Ministry note on the downing of two aircraft on Saturday — originally filed from Havana PRENSA LATINA as PA2802142496; explanatory note describes difference from the PRENSA LATINA version]

[FBIS Translated Text] [PRENSA LATINA version contains two-sentence introductory paragraph] With a speed that has overtaken Cuba dozens of times, in particular because it has suffered dozens of aggressions and, in addition, must endure a brutal embargo that has been condemned four times by the UN General Assembly, the UN Security Council met early on Monday to consider the situation created by the downing of two pirate lightplanes in the Cuban airspace.

The situation illustrates the cost of living in a unipolar world under the hegemony of the United States for small and independent countries.

Under these circumstances, the Security Council, which already had the worst possible history for its partial actions subordinated to the interests of the superpowers, and whose operation is governed by the arbitrary practice of the veto, has become a U.S. Government agency.

After the demise of the Soviet Union and the socialist bloc, which created the basis for uncontested hegemony, the United States, always supported by its Western allies, started a frantic race to turn the Security Council into a sort of high universal court to judge any countries that disobey its designs, and use troops, rallied under the UN's banner, as a police organization with planetary authority.

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In a timely fashion and with vigor, Cuba, together with a large number of countries, has been advising of this situation, which reveals the urgent need to work for the UN's democratization and find procedures to make the Security Council more representative and impartial.

The arbitrary actions by the Security Council and the open intervention against numerous countries, contempt for the principle of national sovereignty, anti-democratic methods and the encroachment of functions have not only provoked, not only the distortion of the UN's purpose and activities of the United Nations, but also the overwhelming preponderance of the United States in its decisions.

In the case of Cuba, the United States' enormous capacity to exert pressure was complemented by the fortuitous circumstance that it now occupies the council's rotating presidency.

The United States has not hesitated to use both advantages in its favor. On Sunday, it hastily called a round of consultations, to which the ambassadors, with good reason, argued they did not have enough information on the incident, and that they had to consult with their respective capitals.

Without allowing much time, and particularly without giving any new information, the United States, as president of the council, called the council to an urgent meeting early Monday morning. The Cuban foreign minister, who at the time was on his way to the UN headquarters in New York with the sole purpose of attending the meeting, could not be present.

The attempts by several members to convince U.S. Ambassador Madeleine Albright, who heads the council, to wait a few hours for the Cuban foreign minister to arrive were to no avail.

On the contrary, the U.S. State Department delayed as long as possible issuing a visa to Minister Robaina, who was already in Mexico, ready to continue to New York. The Council approved a declaration at 0330 on Tuesday, and Robaina received his visa at 0430, one hour later.

Here is the text of the declaration:

'The Security Council deeply regrets the downing by the Cuban Air Force of two civilan planes on 24 February 1996, which apparently resulted in the death of four people.

'The Security Council recalls that, in accordance with international law, as established in Article 3 bis of the International Civil Aviation Agreement of 7 December 1944, added by the Montreal Protocol of 10 May 1984, states must abstain from using weapons against civilian planes in flight and should not endanger the lives of persons on board or the aircraft's security; states must respect international laws and regulations with regard to human rights in all circumstances.

'The Security Council asks the International Civil Aviation Organization [ICAO] to conduct an in-depth investigation of the incident and urges interested governments to fully cooperate with that investigation. The Council asks ICAO to report its conclusions as soon as possible. The Council will examine that report and any new information it may receive without any delay.

In fact, because of the correct attitude of some prominent Council members, the approved statement fell short of U.S. expectations.

The truth of the matter, on another note, is that Cuba, even before the Security Council, regretted the loss of human lives stemming from the irresponsible violations to our sovereignty, and we agree on that. But we cannot forget Barbados, where 73 persons, including many teenagers, who did not violate the laws of any country, died in a brutal sabotage. The criminials are being harboured by the United States, and there is no deploring of any kind from the Security Council.

We must define what a civilian plane is. Many crimes have been committed against our country with alleged civilian planes from the United States. We must recall that counterrevolutionary pilots flying "civilian planes" bombed Havana and many other places in Cuba. With "civilian planes," for years they dropped explosive devices and incendiary substances on our sugarcane plantations and economic targets. "Civilian planes" have been used to introduce spies and saboteurs into the country. Even more serious, they have conducted biological war actions.

Regarding the ICAO [International Civil Aviation Organization] investigation, even though it is part of the U.S.'s move to take the incident to the Security Council, we do not have it. [sentence as received] On the contrary, we accept it and demand that it be expeditious and objective. It should consider all antecedents and circumstances surrounding the gross provocations that we endured due to the repeated violations of our airspace and the inherent risks to aviation and our country.

We hope that the United States will fulfill its duty to cooperate fully with the investigation according to the Security Council's statement.

There is something, however, that Cuba will not discuss with the Council or experts from any organization: our right and duty to protect our country's sovereignty, preserve our borders, and defend the independence of our fatherland at whatever cost.

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Cuba: Foreign Residents Condemn U.S. Policies on Cuba

PA2902045596 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 29 Feb 96

[From the "NTV" newscast]

[FBIS Translated Text] Foreigners living in our country today approved a statement condemning the aggressive U.S. policies against Cuba.

The document mentions the recent violation of Cuban airspace on Saturday, 24 February, which can be described as an aggressive and terrorist action aimed at provoking tensions in U.S.-Cuban relations.

Latin Americans living in our country stated in the document that they are living in Cuba in an atmosphere of peace and labor and that they are witnesses to the thousands of expressions of support for the revolution, which the people spontaneously show.

[Begin unidentified woman recording] The governments that join in the maneuvers of their northern boss, whether it be out of their [words indistinct] will obtain not only the contempt of their own people but will also have to assume before history their complicity in crimes against humanity. We the people have a memory. What shines with its own light, no one can put out. Long live international solidarity! Long live free Cuba! [audience shouts: viva!] [end recording]

Cuba: FAR Troops State Support For Government, Castro

PA2902045696 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 29 Feb 96

[Report by German Veloz and Jorge Quevedo Ocampo; from the "NTV" newscast]

[FBIS Translated Text] Pilots and specialists from a Holguin Antiaircraft Defense Unit have expressed their support for the Cuban State and ratified their perfect state of combat readiness.

The total support for the socialist Government of Cuba is also expressed unconditionally at the Revolutionary Armed Forces [FAR]. In this front line unit of the antiaircraft defense of the Eastern Army, unit combatants condemned the violations of our territory and denied the accusations made from the United States.

The pilots and specialists from other service branches proclaimed their combat conviction and readiness to maintain our skies free from intruders.

[Begin unidentified soldier recording] We really act in the legitimate defense of our sovereignty. [end recording]

In all military branches, encompassing air, land, and sea troops of the Eastern Army, similar activities are being carried out stressing their support for the commander in chief, the party, and the accomplishments of the people.

Cuba: Hanoi Calls Plane Downing 'Act of Self-Defense'

PA2902135596 Paris AFP in Spanish 0516 GMT 29 Feb 96

[FBIS Translated Text] Hanoi, 29 Feb (AFP) — According to a communique disclosed by the press today, the Vietnamese Foreign Ministry described as an "act of self-defense" the destruction by Cuban fighter planes of two Cessna planes coming from the United States.

"Cuba has evidence corroborating that the reactionary Cuban organizations in the United States wore out the patience of the Cuban Government by sending planes to overfly Cuban airspace with provocative intentions," a Vietnamese Foreign Ministry spokesperson said.

On Saturday, the Cuban fighter planes downed two Cessna civilian planes of the Miami-based anti-Castro organization Brothers to the Rescue, founded by Cuban exiles to locate Cuban rafters and organize their rescue.

"Cuba was compelled to adopt this action to defend its sovereignty and security," the spokesperson added.

Vietnam is one of Cuba's few ideological allies. Last December, President Fidel Castro visited Hanoi, which has, on numerous occasions, called for the suspension of the blockade the United States has maintained on Cuba for more than 30 years.

Cuba: Castro Welcomes Brazilian Communications Minister

PA2802150396 Havana Radio Havana Cuba in Spanish 0000 GMT 23 Feb 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] President Fidel Castro has welcomed Brazilian Communications Minister Sergio Motta in Havana. Motta arrived on 17 February for an official visit to Cuba.

Motta told reporters he was impressed upon meeting Fidel Castro, who, according to him, is a prominent figure of Latin America and Cuba. Motta stressed his desire to strengthen relations in the communications sector with Cuba, adding he will sign a cooperation agreement with Cuban authorities before leaving for his country on 24 February.

Motta met with important local officials and toured scientific facilities as well as the international operations

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center of the Cuban Telecommunications Enterprise, Inc.

Cuba: Nova Scotia on Development of Mixed Enterprises

PA2802150496 Mexico City NOTIMEX in Spanish 1826 GMT 24 Feb 96

[FBIS Translated Text] Havana, 24 Feb (NOTIMEX) — Cuba has purchased six Nova Scotian cold storage facilities for its fishing industry and has established the groundwork for the development of mixed enterprises in various sectors, John Savage, head of that Canadian province, has announced.

Savage, who has concluded a one-week, official visit to the Caribbean island, added: "We have sown the seed for various mixed enterprises in the fishing, health, education, and transportation sectors."

The two parties also reached other agreements, including the one signed between Advance Laboratories and the local enterprise Suchel for the production of detergents and disinfectants for domestic and commercial use, manufactured with Canadian raw materials.

The cold storage facilities will have an overall capacity of 80 tons per day, a source from the delegation that has accompanied the Canadian official has told NOTIMEX. The delegation is comprised by more than 40 businessmen who have held more than 200 meetings with their local counterparts.

Savage has stated his thanks for the attention offered by his hosts, particularly President Fidel Castro, who has received him on two occasions and has stated his confidence in an even greater development of ties with that Canadian province, which has coasts on the Atlantic Ocean.

"Canada was Cuba's leading trade partner in 1995, and a good part of that success is due to a relationship that is always based on mutual respect, reciprocal benefits, and friendship toward these people," he has said.

The Nova Scotian leader gave the Cuban president two automobile license plates reading: Fidel One and Cuba Yes, the rallying cries used by international solidarity movements that support the island against the blockade Washington imposed on Havana more than 30 years ago.

Relations between Cuba and Nova Scotia date back 250 years, when the southeastern Canadian province purchased Cuban sugar and rum in exchange for codfish, Savage has recalled.

Mark Andres, Canadian ambassador to Cuba, has termed as "very positive" their bilateral relations, which have existed for 50 years without interruption, with an "unprecedented" development.

Local sources have recalled that Canada is the island's major trading partner, with trade totaling $500 million in 1995, adding it is the largest foreign investor in the Caribbean nation.

Cuba: Castro's Message to Commerce, Service Workers

PA2802152896 Havana Radio Rebelde Network in Spanish 1800 GMT 23 Feb 96

[From the "National Radio News" newscast]

[FBIS Translated Text] The newspaper GRANMA today published a message sent by Commander in Chief Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba, to workers of the commerce, restaurant, and service sectors.

The letter states that 35 years ago, on 23 February 1961, the revolution created the Domestic Trade Ministry to carry out revolutionary policy that calls for a fairer social distribution in order to protect families with lesser incomes. The letter adds that considerable progress toward achieving the goals that promoted the creation of the ministry took place during the first 30 years.

The special period, Fidel says in his message, has been a hard blow to the nation, which saw a decline in the standard of living achieved up to 1989. He has stated, however, that the fairness of the goals which led to the creation of the domestic trade system was validated. He also has stated that Cuba was able to persevere in the protection of all citizens and the guaranteeing of their basic needs thanks to the policy that has been followed and because of Cuba's infrastructure, which has allowed this goal to be possible.

Fidel believes, he states in his letter, that even though some negative trends have appeared at a certain time in the sector, the commerce, restaurant, and service workers are social activists who have much revolutionary influence on the people. He added that an encouraging revolution that demands more dedicated work from the sector has begun in Cuba, and he has called these workers to look for more dynamic solutions amid the current difficulties and shortages of resources.

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Haiti

Haiti: Radio Reports Smarth's Ratification as New PM

PA2802223296 Port-au-Prince Signal FM Radio in Creole 1230 GMT 28 Feb 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Excerpt] The Haitian Senate ratified in Port-au-Prince on 27 February by 16 out of 19 votes the choice of Rosny Smarth, a 55-year old agro-economist, as the prime minister. Smarth had been designated by President Rene Preval.

The choice of Smarth was also approved shortly after in the Chamber of Deputies by 44 votes and four abstentions. Before he officially takes office, the new prime minister will have to get a vote of confidence from the Parliament in separate chambers, that is the Senate and the Chamber of Deputies, for the statement of general policy of the future government of the Republic of Haiti.

In accordance with the Constitution, the vote unfolded with public ballot and absolute majority in both chambers. In case a vote of nonconfidence is given by either one of the two chambers, the procedure will resume, according to the provisions of the Constitution of the Republic.

Smarth will have to state his general policy before the end of the week. [passage omitted]

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Mexico: PRD Concerned Over 'Ultra-Rightist' Buchanan

PA2902042896 Mexico City LA JORNADA in Spanish 22 Feb 96 p 10

[Report by Salvador Guerrero Chipres]

[FBIS Translated Text] The PRD [Party of the Democratic Revolution] has voiced its "concern" about the progress made by the "ultra-rightist and xenophobic" current represented by Republican Pat Buchanan, the winner of the U.S. primary elections held in New Hampshire.

Jorge Calderon, international affairs secretary of the PRD CEN [National Executive Committee], said that Buchanan's victory shows the large segment of the electorate that could have anti-immigrant feelings, and thus anti-Mexican feelings, in the next phase to elect the candidates for the U.S. presidency.

Calderon criticized the Foreign Relations Secretariat [SRE], which is characterized, he said, "by issuing many bulletins and carrying out very few actions" in light of the "anti-immigrant" U.S. policies. He pointed out that SRE head Jose Angel Gurria has become an "Interpol agent," willing to put aside the Mexican right to grant asylum and allowing the almost immediate handing over of foreigners involved in political processes. He mentioned the case of presumed *ETA* member Koldo Dominguez.

The PRD official affirmed that even though Buchanan's victory is an internal affair of the neighboring country, it is necessary to note how the appeal to "the most backward, racist, and conservative" sentiments of "certain large segments of the U.S. population" could become a way to garner votes.

The most serious aspect, he added, is that domineering U.S. circles have failed to realize that, in the mid-term and long run, a strategy of confrontation with Mexico, a strategy to militarize the border and create a persecution movement, "goes against Mexico's interests and against long-term U.S. interests. Creating trouble and confrontation spots hinders, makes difficult, and rarefies a climate of binational cooperation and triggers situations of social unrest on both sides of the border," Calderon remarked.

He explained that the other element that explains the defeat of the former favorite candidate, Roberto Dole, is that the "anti-national" policy "of appeasement of *hardline* U.S. sectors" that the SRE has implemented has encouraged the sectors Buchanan represents.

Calderon; Ricardo Pascoe, from the Foundation for Democracy; Bertha Lujan, from the Mexican Network of Action Facing Free Trade [Red Mexicana de Accion Frente al Libre Comercio]; Mauricio Chavez, Farabundo Marti National Liberation Front representative in Mexico; and Juan Manuel Sandoval, from the Center for Studies on Borders and Chicanos [Centro de Estudios de Fronteras y Chicanos]; announced the beginning of a workshop entitled *the Economic, Political, and Social Factors That Influence Migration Flows on the American Continent.*

Mexico: Envoy To U.S. Says Dole Cited 'False' Data

PA2802045196 Mexico City NOTIMEX in Spanish 0318 GMT 27 Feb 96

[FBIS Translated Text] Washington, 26 Feb (NOTIMEX) — The Mexican Government said today that U.S. Senate leader Robert Dole used "false" information to ask President William Clinton to speak out regarding Mexico's alleged lack of cooperation in the fight against drugs.

"You must know that we were surprised to hear that the Senate majority leader is basing a request to the U.S. President on false and misleading information," Mexican Ambassador to Washington Jesus Silva Herzog stated in a letter addressed to Dole.

The diplomat added that "it is simply unfair and untrue to say, as you do in your letter, that Mexico has built up a record of indifference and even complicity in the trafficking of drugs."

Silva Herzog's letter answered the letter Dole sent to Clinton on 26 February asking the President to clearly state that Mexico has not fully cooperated with the antidrug efforts of the United States.

The diplomat added that "with all due respect" you must know that short-term political positions are counterproductive for the optimum development of the long-term relations between both countries.

The Mexican Government has reiterated that the "certification" process used by the United States to qualify the fight against drugs in other countries is politicized by the proximity of the November general elections in the United States.

Silva Herzog described as "exaggerated" the statements made by Dole that the "Mexican attorney general has confirmed that a number of his key prosecutors have been on the payrolls of the (drug trafficking) cartels."

"That statement is obviously based on false information and is unfortunately built on misleading information that has been released in Mexico in the last few months," he said.

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According to the ambassador, Dole "must know that the Mexican president (Ernesto Zedillo), with whom you met last October during his official visit to the United States, has declared drug trafficking the primary threat to national security."

Silva Herzog mentioned in his letter a series of actions that the Mexican Government has adopted against drug trafficking and rejected Dole's statements that the arrest in Mexico of drug trafficker Juan Garcia Abrego had been conducted with the assistance of the United States.

"All due recognition must go to specific national efforts," he said in reference to the arrest of Garcia Abrego, one of the FBI's 10 most wanted suspects, which was accomplished "in an operation conducted by Mexican authorities."

In the letter Dole sent Clinton, he questioned the efforts made by Mexico in the fight against drugs and asked that the U.S. Government request from its southern neighbor greater cooperation in this regard.

Dole and Silva Herzog sent their letters four days before the U.S. State Department submits to the White House for its approval a list of countries, the antidrug efforts of which the United States unilaterally evaluates each year.

Mexico rejects the U.S. certification process, considering it contrary to international law but recognizes it is a provision contained in the U.S. Constitution and that "it exists and has its consequences."

Mexico: Parliament Groups Reject U.S. Conditioning of Aid

PA2902024096 Mexico City LA JORNADA in Spanish 22 Feb 96 pp 12, 60

[Report by Ismael Romero and Elena Gallegos]

[FBIS Translated Excerpt] The parliamentarian groups represented in Congress' Permanent Commission have described as a clear and unacceptable meddling that violates the most elemental principles of international law the statements made by certain U.S. political personalities who are asking to condition the aid to Mexico to this country's ability to certify, or prove its capacity or efficiency, in the fight against drug trafficking.

In a document PAN [National Action Party] Senator Arturo Nava Bolanos read at the dais, the legislative blocs advocated that the interventionist practices of U.S. sectors in the fight against drugs be replaced by respectful and effective cooperation ties. Nava said that the partisan blocs — namely, the PRI [Institutional Revolutionary Party], PAN, PRD [Party of the Democratic Revolution], and PT [Labor Party] — voiced their respect for the U.S. government's decisions on internal policy matters and the exercise of its sovereignty, but that they demand a similar treatment for Mexico.

"We say that the Mexican State has included in its legal orders society's mandate to wage a merciless war on the international criminal organizations that traffic drugs," he pointed out, adding that Mexican laws stipulate that the duty to persecute these crimes throughout the national territory pertains exclusively to Mexican authorities.

In a speech the PAN senator delivered previously, he said that others want our country to be turned into the "scapegoat" of U.S. election policies. In addition, he questioned how responsible the United States is when it allows huge shipments of drugs to enter its territory and when it manages huge amounts of money, without detecting illegal transactions at the banks.

He stated that the fight against drugs will not end if there is an ailing society demanding their consumption and if this consumption is not punished.

On the same issue, PRI Senator General Jose Antonio Valdivia affirmed that the fight against drug trafficking demands one advance toward a new phase in which regional and global commitments of an overall implementation will be made according to the Vienna Convention; that is, one must face the problem in all its aspects.

"We want to broaden relations with other nations, attempting to strengthen the cooperation for development," he maintained, pointing out, however, that this cooperation does not imply intervention in the countries' sovereignties or meddling in the affairs of each country.

Valdivia asserted that this cooperation must be according to the laws of each nation, without anyone trying to evaluate or judge the behavior of others. "We Mexicans reject this," he added.

The PRI member also said that Mexico has carried out clear and firm actions to prevent and fight drug trafficking in all its forms and that, regarding foreign relations, it is also seeking to fulfill all its international obligations. [passage omitted]

Mexico: Report Views Brokerage Firm Permits

PA2702030396 Mexico City EL FINANCIERO in Spanish 20 Feb 96 p 5

[Report by Alicia Salgado]

[FBIS Translated Text] Reports from the Finance and Public Credit Secretariat (SHCP) obtained by EL FINANCIERO reveal that, despite the establishment of

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approximately 100 foreign brokerage firms through the Free Trade Agreement (FTA) in 1994-1995, the limits of participation in this market — approved by the three countries — have yet to be reached because the overall quotas have not been fulfilled.

The quota regarding the participation of multipurpose banks' foreign branches, the focal point of the payment system, could have reached 9 percent of the overall total of net capital in the banking system — $77.9455 billion. Nevertheless, it barely attained 4.47 percent last year, even though 17 multipurpose banks' branches already operate in Mexico.

The overall limit for 1996 could be 10.8 percent, with a value of 8.4181 billion pesos. Considering the established entities, 1.5753 billion pesos will reportedly be available until 30 April.

It is appropriate to mention that, out of the initial requests, the SHCP only has one pending confirmation — that of Nations Bank — which will begin operations this year, plus a new request that is being studied, that of the Comerika Bank of the United States.

Just like the Probursa operation with the Bilbao Viscaya Bank, the Montreal Bank's recently announced plans to purchase 16 percent of Bancomer Financial Group's shares and the Nova Scotia Bank's plans to purchase 55 percent of the Inverlat financial group do not count when it comes to the participation of U.S. and Canadian financial companies' branches agreed upon in the FTA.

This is a result of the reform of Mexican financial laws published by DIARIO OFICIAL DE LA FEDERACION on 15 February last year, in its provisional article two, in which it states that when a foreign institution participates in the capitalization of a Mexican financial banking group or bank, its investment will not be taken into consideration when computing the market quota agreed upon in the FTA.

The same legislation reinstates the FTA proviso that will become effective in 2000 for the release of the banking market's 15 percent quota. The proviso states that, in any case, authorizations to foreign branches as a whole cannot total more than 25 percent of the overall banking capital in the next four years. This can be "agreed upon with the parties after that date if Mexico is interested in keeping the restriction."

Moreover, in the case of Banamex, Bancomer, and Serfin, with more than 6 percent of the system's capital in each case, a majority of foreign investment will not be accepted, only a maximum of 20 percent will be accepted.

In the case of Inverlat and Probursa, their respective capital does not exceed the established 6 percent; therefore, the participation of foreigners in the capitalization of the institutions could even reach 100 percent, but this has not taken place.

The investment made by the Nova Scotia Bank to acquire up to 55 percent of Inverlat's capital was agreed upon in part because, in the next 90 days, 16 percent of the stocks will be purchased, and the rest are documented financial obligations convertible on the final day of March in the year 2000.

Up until that date, the Nova Scotia Bank will not be strictly a branch, but a financial group in which Fobaproa [Savings Protection Banking Fund] will have majority control and will, therefore, not be subject to the limits of the FTA.

As for the minority investment of the Bank of Montreal in Bancomer, accounting for the purchase of 16 percent of the group's capital, in addition to the fact that it is being done in parts, it is not taken into account for calculating the investments made by foreign branches because it is a minority investment aimed at the bank's capitalization by the year 2000.

According to the financial report on multipurpose banks, 18 foreign banks, which filed the application, were given a favorable mark, of which 17 have already been authorized and are already operating. Only Nations Bank is in the process of "meeting the requirements [requisitacion]."

With regard to brokerage firms, the limit of up until 31 December 1995 on the participation of foreign brokerage firms was 12 percent of global assets of Mexican brokerage companies, which amounted to 5.5753 billion pesos. This percentage could increase to 14 percent, considering the hike expected in the latter amount.

The number of brokerage firms established at the close of 1995 shows that the quota was not totally used. The quota was 328.6 million pesos — 5.95 percent — for 1995 and stands at 439 million pesos — 7.95 percent — for 1996.

Out of the 16 brokerage firms that were approved, the ING must be eliminated, as it merged with Barings, and there is also one, Bearn Sterns, that refrained from participating.

Bankers Trust, Merrill Lynch, Goldman Sachs, Santander, Chemical, J.P. Morgan, and Citibank were authorized and, only the first five, including ING, are operating. The rest are expected to start operations this year.

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The percentage is higher for the rental companies and practically all of them are operating. With regards to the sale of accounts receivable on a contract basis by the business holding them to obtain cash payment of the accounts before their actual due date to a specialized agency known as a factor, or factoring, four of the five favored have been authorized (GE Capital, Associates, Chrysler, Caterpillar, and Ford).

The brokerage firms granted a favorable opinion to Deutsche Bank and are currently studying the recent requests made by Swiss Bank and Bankers Trust. Of the firms that have investment companies, only Santander was authorized, with its six investment companies and, of the banking financial groups, Citibank, Chemical, J.P. Morgan, Santander, and ING have already approved and established. The latter is authorized and established and, among the nonbanking firms, Caterpillar, GE Capital, Associated, and Ford are in a like position, and only Chrysler is pending.

Mexico: Roundup of Economic Developments Through 20 Feb

PA2602205596

[FBIS Report] The following is a compilation of reports on economic developments in Mexico monitored through 20 February.

The commercial exchange between Mexico and Brazil has been characterized by its complementary relation. For instance, Mexico buys from Brazil special steel and automobile spare parts and sells automobiles, computers and medicines. In the past six years, operations have reached an annual average of $1.261 billion. In 1995, total commercial transactions amounted to $2.413 billion, and for the first time in eight years, the balance was favorable to Mexico, as it registered a surplus for $1.413 billion. Thus, in 1995, the devaluation boosted Mexican exports, which climbed from $189 million in 1994 to $1.915 billion. This figure represents a eleven-fold increase. (Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 19 Feb 96 p 3A)

A 19 February, Mexico City-datelined report cites the parastate Mexican Petroleum, Pemex, Refinery indicating that by the end of 1995, it sold 1.4342 million barrels a day of oil products in Mexico, which represents an 8.4-percent decrease compared to the same period in 1994. (Mexico City NOTIMEX in Spanish 0051 GMT 20 Feb 96)

A 19 February, Mexico City-datelined item cites Jaime Zabludovsky, under secretary of International Trade Negotiations, saying that in 1994, the commercial relations between Mexico and the United States registered a deficit of nearly $19 billion, while currently, there is a surplus of $7 billion. At a meeting with Mexican investors, Zabludovsky noted that "commercial transactions between the two nations amounted to approximately $110 billion in 1995." Zabludovsky added that "only a few commercial disputes with the United States within the framework of NAFTA have occurred and they have been resolved through good offices and informal consultations." (Mexico City NOTIMEX in Spanish 0135 GMT 20 Feb 96)

At a cost of $25 million, Pemex completed a drilling program of four horizontal wells in the Cantarell complex, the large complex of oil fields that represents 37 percent of the national production of crude. Each one of these four wells produces more than 10,000 barrels a day or more. (Mexico City EL FINANCIERO in Spanish 20 February 96 p 19)

A Mexico City report datelined 20 January says that a survey taken by the National Institute of Statistics, Geography, and Information Science (INEGI) in 41 urban areas showed that in January 6.4 percent of the country's economically active population is unemployed. (Madrid EFE in Spanish 20 1836 GMT 20 Feb 96)

Figures released by the Energy Secretariat (SE) indicate that Mexico earned $7.148 billion in crude oil exports and plans to raise its revenues by $3.323 billion this year. (Mexico EL FINANCIERO in Spanish 20 Feb 96 p 17)

The National Finance Bank (NAFIN) announced yesterday a regional loan restructuring package for 8.52 billion pesos to assist 18,283 companies. (Mexico City LA JORNADA in Spanish 20 Feb 96 pp 60, 48)

In their financial statements filed before the Mexican Securities Exchange, the country's financial groups as whole had net earnings of 6.2319 billion pesos in 1995. (Mexico City EL FINANCIERO in Spanish 20 Feb 96 p 7)

According to a NOTIMEX item datelined Mexico City on 21 February, the Bank of Mexico's net international assets increased from $871 million to $1.175 billion, or $304 million, from 9 to 16 February. The bank said that this increase resulted from the purchase of government money for $843 million, which, in turn, comes from the placement of the so-called global bonds in international financial markets. Another source is Mexican Petroleum's oil sales for $199 million. (Mexico City NOTIMEX in Spanish 1740 GMT 21 Feb 96)

Without including the fiscal subsidy to the Agreement for Immediate Support for Bank Debtors, ADE, the Federal Government last year paid 40.554 billion pesos for internal debt interest. As part of the local debt reduction, 257.534 billion pesos in securities were

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amortized in 1995. (Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 21 Feb 96 p 11)

Pemex' sales increased its local sales by 73.8 percent in 1995 in comparison with the January-December period in 1994 as the result of marketing 434,200 daily barrels of oil products for a total of 59.0955 billion pesos. (Mexico City LA JORNADA in Spanish 21 Feb 96 p 52)

The National Institute for Statistics, Geography, and Information Science, INEGI, has reported that retail sales in the country have dropped by 30 percent and wholesale sales dropped by 20 percent as a result of the internal market contraction and the loss in the people's purchasing power. (Mexico City LA JORNADA in Spanish 21 Feb 96 p 51)

Finance Secretariat's spokesman Alejandro Valenzuela has reported that reference rates for bank loans have increased. TIIP, Average Inter-Bank Interest Rate, stands at 42.06 percent and TIIE, Inter-Bank Equilibrium Interest Rate, stands at 42.03 percent. The spokesman also said that the GNP is expected to drop by between 2 and 3 percent in the first quarter. (Mexico City XEW Television Network in Spanish 0400 GMT 22 Feb 96)

Mexico's trade balance registered a $779-million surplus in January 1996 when exports rose to $7.665 billion, which is the country's highest monthly record. During this period, exports of manufactured goods amounted to $6.441 billion while exports of agricultural products amounted to $384 million. Imports amounted to $6.886 billion. In 1995, the annual growth rates were 29.4 percent for nonoil products and 17 percent for oil products respectively. (Mexico City EL FINANCIERO in Spanish 22 Feb 96 p 26 — received via Internet)

The Bank of Mexico, Banxico, reports that at the end of January 1996, treasury certificates, Federal Government development bonds, treasury bonds, and adjustable bonds in circulation amounted to 108.8514 billion pesos. Of this amount, 24.86 percent (27.5504 billion pesos) were in the hands of foreign investors. (Mexico City LA JORNADA in Spanish 22 Feb 96 p 46)

According to Banxico, the general inflation rate reached 1.22 percent while the basic family basket increased by 1.51 percent during the first two weeks in February. Thus far in 1996, the estimated accumulated price growth rate is 4.81 percent while the growth rate for the basic family basket is 6.26 percent. (Mexico City Radio Red Network in Spanish 0000 GMT 23 Feb 96)

Mexico's main airlines owe $1.1 billion to local banks and subsidiary companies, and are taking measures to refinance their debts. Mexican Airline Company's (Compania Mexicana de Aviacion) debt amounts to $548 million while Air Mexico's (Aeromexico) debt amounts to $552 million. (Mexico City LA JORNADA in Spanish 23 Feb 96 — received via Internet)

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El Salvador

El Salvador: Fusades on Christopher Visit, Results

PA2802200896 San Salvador Radio Cadena YSU in Spanish 1800 GMT 27 Feb 96

[Report by Ernesto Landos; from the "YSU Radio News" newscast]

[FBIS Translated Text] Fusades [Salvadoran Foundation for Economic and Social Development] President Jorge Zablah believes U.S. Secretary of State Warren Christopher's visit represents the possibility of resuming negotiations with the North American nation in order to obtain parity in the Free Trade Agreement [FTA] between Mexico, the United States, and Canada.

[Begin recording] [Zablah] Look, it represents a great support for the country and a great support for the seminar we are inaugurating here at Fusades, a seminar on joint implementation and sustainable development. For us, it also represents the possibility of starting talks with the United States in order to obtain parity with the FTA between Mexico, the United States, and Canada.

It is extremely important for the country that we start those talks and continue exerting pressure for parity to be attained — not only for El Salvador but also for the region — because that is what allows us to have, in a certain way, the advantages Mexico has; and it prevents investments coming to the zone from being diverted to Mexico.

[Landos] How do you assess the initiative outlined by the secretary of state to start granting that parity in the zone?

[Zablah] Excellent. What we are not sure about is the speed with which this may progress, but the things he talked about with the president of the Republic are extremely important — on the one hand parity, on the other hand, the treatment of our brothers in the United States, and the struggle against drugs. I believe extremely important things have been discussed. [end recording]

U.S. Secretary of State Warren Christopher concludes his official visit of almost three days in our country, where he held important talks with the three state branches to strengthen the peace process started in 1992. The secretary of state traveled to Santiago de Chile on Tuesday within a tour of Latin America.

Guatemala

Guatemala: Government Minister Meets Christopher

PA2902000796 Guatemala City Teleonce Television in Spanish 0100 GMT 28 Feb 96

[From the "Telepress Newscast"]

[FBIS Translated Text] Government Minister Rodolfo Mendoza attended on behalf of Guatemala a meeting held yesterday in El Salvador between delegates of the Central American countries and U.S. Secretary of State Warren Christopher.

[Begin recording] [Mendoza] I attended the meeting held in El Salvador with Secretary of State Warren Christopher.

[Unidentified reporter] What topics were discussed with him?

[Mendoza] Look, it was basically a visit to the Central American area. He met with the presidents to state what I believe were two important things. One, the American Government's intention to increase, to include Caribbean Basin countries in the system for free imports to the United States, dealing with the Free Trade Agreement. This will be a unilateral measure by the United States and it will be proposed as part of the budget that President Clinton submits to Congress — in March, I believe. The other one is the Secretary of State's proposal to send a high-level technical commission to Central America, to evaluate how they can give us more support, precisely dealing with the security issue.

[Reporter] Did Guatemala submit a specific proposal?

[Mendoza] No. It was basically a visit upon request from the Secretary of State and the idea was mainly to follow up the Miami summit held by the presidents, I believe this occurred slightly over a year ago, when some of these issues were discussed.

[Reporter] Was anything said about drug trafficking in this meeting?

[Mendoza] Yes, it was mentioned. In fact, I state with great satisfaction that, in his message to the Salvadoran Congress, the Secretary of State mentioned the efficient role being played by the security forces in Guatemala against drug trafficking. He actually said this work is an example at Central American level. [end recording]

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Nicaragua

Nicaragua: Vice President, Assembly Head on Cuba Incident

PA2802223496 Managua Canal Cuatro Television in Spanish 0400 GMT 28 Feb 96

[Report by Juan Edgar Zelaya; from the "Extravision" newscast; passages within quotation marks are recorded]

[FBIS Translated Text] Nicaraguan politicians demanded an investigation of the downing of the two lightplanes that violated Cuban airspace.

The Central American presidents meeting in San Salvador asked the UN Security Council to investigate the downing of the two lightplanes operated by Cuban exiles, who violated the island's airspace.

[Nicaraguan Vice President Julia Mena] "The action taken by the U.S. Government, through its President Clinton, was the appropriate one. The United Nations will be the one doing the investigation and will take the appropriate measures and will evaluate the situation."

National Assembly deputies also demanded the investigation of this incident.

[National Assembly President Cairo Manuel Lopez] "We believe problems among countries should be resolved through peaceful means."

[Nathan Sevilla, Sandinist National Liberation Front deputy] "The groups that are violating Cuba's airspace and territorial waters are departing from U.S. bases. These groups are politically opposed to the Cuban Government, to Cuba's socialist regimen, but they have no right to invade the island's airspace."

President Bill Clinton announced the toughening of the economic blockade against Cuba, which could be considered a Clinton maneuver to win votes from the Cuban exiles.

[Deputy Miriam Arguello, president of the Conservative Popular Alliance] "U.S. political interests are at stake here, all revolving around Clinton's possible reelection."

[Deputy Alejandro Solorzano, member of the Nicaraguan Socialist Party] "We know the number of Cubans living in Miami, Florida, and we know their ties with the Republicans. We also know about the campaign to reelect Clinton."

Panama

Panama: Officials Condemn Cuba's Downing of Lightplanes

PA2802202996 Panama City LA PRENSA in Spanish 28 Feb 96 p 2

[Report by Manuel Alvarez Cedeno and Urania Cecilia Molina]

[FBIS Translated Text] President Ernesto Perez Balladares, the Foreign Ministry, former Vice President Guillermo Ford, and a Panamanian businessman yesterday deplored and condemned the downing of two "defenseless" civilian lightplanes by the Cuban Air Force on 24 February.

Cuban MiG fighter bombers over the weekend downed two Cessna lightplanes flown by opposers of Fidel Castro's government. The Cuban Government has said it did so because of the constant violations of Cuba's airspace.

In this regard, Perez Balladares said that he thinks the "incident is unfortunate" and that he expects "the temperature will stay where it is rather than climb."

Perez Balladares regarded the downing of the two lightplanes flown by the organization Brothers to the Rescue as "excessive force."

A communique released by the Panamanian Foreign Ministry stated: "After gathering sufficient information, Panama deplores the downing of two small and defenseless civilian aircraft by the Cuban Air Force."

Panama believes "there is no valid excuse for disregarding international law and human rights standards, regardless of the circumstances of the incident."

Bill Clinton's administration warned after the incident it will intensify the economic embargo against Castro's government.

The Cuban Foreign Ministry has released a communique on Clinton's decision saying "there is no reason whatever for penalizing Cuba, but the Cuban far- rightists living in Miami regard the unfair and cruel measures announced by the U.S. President as too moderate."

On the intensification of the embargo, Joaquin Vallarino, president of the U.S.-Panama Business Council, and former Vice President Ford agreed that the measures will affect the people but affect Castro and his government very little.

Vallarino said the intensification of the economic measures will affect the Cuban people. He also condemned the downing of the two lightplanes.

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He admitted that the Castro government has been violating human rights but that if the economic embargo is tightened, it "should take place during a specific period" so the Cuban people can be affected the least possible.

According to Ford, "the embargo will certainly affect the people and give Castro a respite. For this reason, it is necessary to seek Cuba's democratization but preferably by peaceful means."

Ford said "it is up to the United States to intensify the embargo. Everything that can contribute to toppling this iron dictatorship in Cuba should aim in this direction. Castro has again won the repudiation of the international community."

In addition, Robert Infante Pupo, second adviser and head of the Cuban delegation in Panama, said in Chorrera that the request to reinforce the economic embargo against the island "does not frighten or intimidate" them and that he does not believe reinforcing the embargo can inflict much more harm than that already inflicted.

"With that law, the U.S. Government intends to keep regional and European Community countries from trading with Cuba," Infante said, adding that neither Canada nor Europe has accepted the proposal.

He also said governments of Central and South America have closer ties with the United States because of these countries' debts and aspirations for fresh loans, a fact which turns their relations into a priority. He added, however, if any of these countries does not accept the U.S. proposal, that particular country will be the only one hurt.

Infante blamed the right wing of the Cuban immigrants in Miami and another group he described as a "mafia" linked to the power groups in the United States for the downing of the lightplanes. "They have mounted this show or incident to create an estrangement in the relations between the United States and Cuba. They saw that the decisions of the Democratic government could improve these relations." Infante said.

He also said the Brothers to the Rescue lightplanes have been flying illegally for more than 20 months. These flights, in addition to violating Cuba's airspace and territorial waters, pose a danger to international flights that use the so-called air corridors under the island's jurisdiction.

Panama: Ambassadors To Attend Meeting With Christopher

PA2602150196 Mexico City NOTIMEX in Spanish 1841 GMT 24 Feb 96

[Report by Sandra Paez]

[FBIS Translated Text] Panama City, 24 Feb (NOTIMEX) — It was reported today, that the Panamanian ambassadors in the United States and El Salvador will attend the meeting to be held between U.S. Secretary of State Warren Christopher and the Central American presidents in San Salvador.

A spokesman for the Panamanian Foreign Ministry told NOTIMEX that Ricardo Alberto Arias and Eduardo Ritter Aislan, the ambassadors in Washington and San Salvador respectively, will attend the meeting with Christopher, but said it is still not known if they will have the official representation.

Deputy Foreign Minister Omar Jaen confirmed that President Ernesto Perez Balladares will not attend the meeting with the U.S. official, which is to be held in San Salvador next Monday, because he has previous engagements. Up to now, no announcement has been made on the person who will represent Panama at this event.

According to information given by the International Development Agency (AID) to NOTIMEX, Panama received more U.S. aid than any other country in the continent up to 1990; it was third, after Israel and Egypt, at a world level.

The U.S. Government authorized $1.0308 billion in economic aid to Panama during 1990. This included $451 million in donations and $379.8 million in credits, commercial benefits, guarantees and other programs.

According to AID reports, out of the $1.0308 billion, Panama used $683 million during 1990, as follows: $431.7 million in donations and $251.3 million in credits, guarantees, and commercial benefits. This does not include an additional $10 million granted as housing guarantees.

The $431.7 million in donations were used as emergency aid after the 20 December 1989 invasion, which included construction and repair of housing units, loans to small companies, and repair of public services. It was also used to further economic recovery — that is to say, to pay $130 million in overdue debts with international financial institutions so that the country could again be a subject of credit and private and public investments.

Out of the $579.8 million in loans and other programs, $44 million were assigned to commercial relief actions;

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$144.4 million to grant credits; and the U.S. Armed Forces used $15 million to further public works such as the supply of food and medical and construction equipment and supplies.

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Argentina

Argentina: U.S. State Secretary Arrives on Visit

PY2802220896 Buenos Aires TELAM in Spanish 2117 GMT 28 Feb 96

[FBIS Translated Text] Buenos Aires, 28 Feb (TELAM) — U.S. Secretary of State Warren Christopher arrived shortly after 1800 [2100 GMT] today at the Ezeiza International Airport for an official visit to Argentina.

The U.S. secretary of state was met by Foreign Vice Minister Fernando Petrella; Raul Granillo Ocampo, the Argentine ambassador to the United States; and U.S. ambassador to Argentina James Cheek.

Argentina: 'Unrestrained' Cuban Act, U.S. Reaction Viewed

PY2802224196 Buenos Aires LA NACION in Spanish 26 Feb 96 p 8

[Editorial: "Off Havana"]

[FBIS Translated Text] The waters near Havana, south of the liberty that radiates from Florida, have again been stained with blood: Two small planes were downed by Cuban fighters and U.S. ships are combing the area, searching for four missing people, who almost certainly have died.

What is now being debated is whether these planes, owned by a group of anti-Castroist exiles called Brothers to the Rescue, plus a third airplane that managed to escape and return to the United States, violated Cuban territorial waters. Perhaps they did; at any rate, former flights sponsored by that group have committed such an irregularity, with goals that could be described as provocative. Nevertheless, the lack of proportion between these violations and the brutal reaction of the Cuban forces against those unarmed planes is too large not to cause indignation.

It also means that, despite the changes allegedly taking place on the island, some aspects of its political system remain unchanged. These aspects include the animosity with which the Cuban regime responds to its opponents, even if these opponents — perhaps because they lack the means required for taking additional actions — limit themselves to administering harmless pinpricks to the Cuban regime. For Havana, the only response possible involves disproportionate violence; in this regard, it acts like a cornered animal that has become more aggressive out of desperation.

Brothers to the Rescue was established in 1990 to help the raft people who attempt to escape from the island. With this goal in mind, Brothers to the Rescue planes patrol the Florida straits. It also carries out other humanitarian tasks, such as taking foodstuffs to refugee camps, which actually was the reason for the flight that ended tragically. On some occasions, these planes dropped leaflets over Cuba. The Castro government describes these planes as pirate craft, and had announced that it would shoot them down if they again entered Cuban jurisdiction.

After this unrestrained action, there will obviously be mounting pressures so that the U.S. economic blockade on Cuba will not slacken. In this regard, Washington has already asked the UN Security Council to discuss this case.

Argentina: Official 'Critical' of Cuba on Plane Downing

PY2902002796 Buenos Aires LA NACION in Spanish 27 Feb 96 p 3

[Article by Ovidio Bellando]

[FBIS Translated Text] In a critical approach toward Cuba, following Cuba's downing of [two] U.S. small planes, Vice Foreign Minister Fernando Petrella said yesterday: "International law does not authorize the unilateral use of force." Briefly chatting with LA NACION, however, he pointed out: "This affair must be assessed with great prudence."

Following instructions issued by Foreign Minister Guido Di Tella, who is now in France with President Menem, the Argentine vice foreign minister talked to diplomatic officials from other Southern Cone countries. Petrella said the goal of these talks involved assessing this issue, "which will have a different significance than that previously foreseen" during the meetings that Di Tella will hold with U.S. Secretary of State Warren Christopher, who will arrive on 28 February.

Di Tella had noted that an economic opening is taking place in Cuba, an economic opening that had to be reviewed somewhat favorably. He added that, even though a political opening is also being sought, a positive change is now taking place.

After the downing of these planes, the discourse favoring a moderation of U.S. attitudes toward Cuba will change, since, if the incident occurred in the manner reported by news agencies, it will be very difficult for Di Tella to champion a better U.S. attitude toward the island.

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Argentina: Political Alliances, Frepaso Breakup Viewed

96SM0112A Buenos Aires CLARIN in Spanish 11 Feb 96 pp 18-19

[Commentary by Eduardo van der Kooy: "At Menem's Request"]

[FBIS Translated Text] To some extent because of its own skill and to a greater extent because of others' lack of skill, the administration has begun coming up with ways to deal with some of the political dilemmas surrounding it.

Also to some extent because of his own craftiness and to some extent aided by luck, one man, Carlos Menem, seems to have done much better by himself recently than all of the other people in power.

Let's take a look. The administration got the Chamber of Deputies to pass the second reform of the state and the tax bill, which Domingo Cavallo sees as essential to an economic recovery that officials are predicting but that actual developments do not suggest.

The outcome was perhaps just as important as the circumstances surrounding it. Peronism achieved its purpose just when signs of discontent were surfacing in it (something without precedent during the first six years of its rule) about leadership styles and certain political goals that were seemingly being pursued.

Lawmakers had borne witness to their displeasure in late 1995 when they postponed approval of the superpowers that the Economy Ministry was demanding. Debate heated up again over the summer in the ruling party owing to an unexpected development, as Gustavo Beliz' departure caused as much ado initially as it seems to be about nothing now.

The evidence is there to see. The cluster of leaders who departed along with the former interior minister was joined enthusiastically only by the governor of Santa Cruz, Nestor Kirschner.

Arturo Lafalla, in contrast, saw his interest wane. The governor of Mendoza promised to support Beliz as a candidate for mayor of Buenos Aires but changed his tune as soon as he realized the economic difficulties his province is going through.

He almost threw in the towel in midweek. He asked Eduardo Bauza for help when the possibility arose that the courts would extend into his district the investigation into the installation of computers that IBM undertook six years ago.

From his academic refuge in Miami, Palito Ortega is reaffirming exactly what he is not doing. He praises Beliz' departure but, at the same time, keeps winking at Menem to grant him a place in the sun once and for all.

Antonio Cafiero was probably the one who most bluntly raised the issue of the party not having a prominent role in making crucial decisions. But he was also the person who most studiously avoided making any statement about the grief caused by the departure of Beliz, with whom he had met the previous week.

Behind what was more of a smoke screen than an artillery barrage, the administration managed on Wednesday to bring together 123 of the 130 lawmakers from its own party that it needed to open the session which wound up approving the superpowers. The shortfall was not a problem. One pro-Duhalde leader, Alberto Pierri, dusted off the old alliance that he had formed with Aldo Rico back when the governor of Buenos Aires needed the former "carapintada" to remove the obstacles to his reelection in the province.

This show of solidarity was not the only warning note. When the time for the vote came, four of the five deputies from Mendoza and two of the three from Santa Cruz were in their seats; these were the two provinces that were supposedly threatening to spearhead a rebellion against official Peronism.

The administration had a political plan that was far from improvised. Bauza brought together the rebel lawmakers and won them over during a meeting at party headquarters at which each said whatever he wished. It allowed for catharsis. The cabinet chief substituted Vice President Carlos Ruckauf for Menem, who was originally supposed to be there, so that neither senators nor deputies would hold back.

There was almost unanimous agreement. Cavallo was the target of all their tantrums.

The mood among the lawmakers changed radically in a matter of minutes, however. Many of the ones who carried on about the economy minister wound up voting for the superpowers.

The political discipline that the deputies who follow Duhalde's lead showed was again crucial to the administration's success. For the moment they had to put aside the distrust that they have lately developed of the hardline Menem backers who are pushing for his reelection in 1999, or are egging on Ortega in his challenge to the governor of Buenos Aires.

Duhalde really seemed to have no choice. His political future remains firmly tied to the administration's fate, as an untimely snub could shatter his hopes of succeeding the president.

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The story could not have ended better for Menem. The limits that the deputies placed on Cavallo's bid to control domestic tax policy at his whim were altogether in tune with the president's desires.

One anecdote should suffice to explain why. Last Tuesday evening, Cavallo visited Menem at Olivos and asked him to sign a note expanding the minister's tax-related authority.

"Go talk to Bauza. If he agrees, there should be no problem," the president replied. Wednesday morning Cavallo made the same request to the cabinet chief but departed as he had arrived: with the note unsigned. A phone conversation in the interim between the president and the cabinet chief was all that was necessary to block Cavallo's path.

The other episode that suited the administration's political plans perfectly was more the result of chance than of its wisdom: the breakup of the Front, a group that was an offshoot of the Olivos pact and had jeopardized the Peronist-Radical two-party system that has been in place since the 1940's.

If any pro-Menem official had ever imagined the devastating effect that Beliz' departure and move toward Jose Octavio Bordon was going to have on the coalition, no one would have made even the slightest effort, as was indeed made, to keep him in Peronism.

The former interior minister actually wound up reviving the long-standing mistrust between the senator and the deputy, which of late has again surfaced more bitterly than ever.

Bordon suspected that the Front's fierce, premature rejection of his alliance with Beliz stemmed from Alvarez' intention not to give him a millimeter more room in the Front and, in so doing, to consolidate his own leadership by working only for a Norberto la Porta victory in the capital.

Alvarez sensed that the senator was boycotting the socialist candidate to strike another blow at him and his leadership (like the one in February of last year when he snatched the presidential primary from him) and to sideline him in the Front that he has been building since 1990.

Amid all this intrigue, the two leaders overlooked certain explanations that society needed. From its beginning the Front claimed the virtue of a new political style by which it sought to differentiate itself from Peronists and Radicals. However, it wound up clinging to a candidate, La Porta, who was backed only by leaders, after Bordon had proposed an open primary with Beliz.

There were even justifications of dubious honesty: "It already happened to us once. We agreed and we lost. We cannot make this mistake again," some of the Front's aloof leaders were heard to say.

The manner and timing of Bordon's decision to lend a hand to Beliz' acrobatics are not easily understood either. The Front has been a growing force since the balloting for constitutional convention delegates; it garnered 5 million votes at the May election and in October placed Graciela Fernandez Meijide in the Senate with 46 percent of the votes in the country's number two district.

It managed to put together a bloc of 26 deputies (compared to the UCD's [Democratic Center Union's] 11 or the Intransigent Party's six in their best days) and is now on the verge of a critical test, as a victory in the capital would put it in a position to vie in earnest with the Radicals for the role of chief opposition party. After Friday's breakup, a defeat would swamp it in uncertainty.

The obvious questions are: Why didn't he wait until after the election to stir up a controversy? Why didn't he ask Beliz to put his ambitions on hold if his departure from Peronism was actually due to political weariness rather than mere electoral speculation?

Perhaps the senator from Mendoza miscalculated in doing his political arithmetic. Maybe he assumed that Beliz' desertion, which he had plotted in Carilo, would trigger a rapid exodus from Peronism that would broaden his own horizons. He could thus establish a new balance of power in the Front or else put together a neo-Peronist faction from which he could vie for the nomination in 1999.

Nothing of the sort happened, and his weakness within the coalition became obvious. He chose to leap into the void rather than submit; there do not seem to be any firm guarantees that Bordon can lean on Beliz' candidacy without causing conflicts.

Kirschner and Lafalla have already let the former interior minister know of their misgivings about the senator's possible arrival. Several leaders from the capital who were prepared to join the escapade have also put their decisions on hold. One of them is the secretary of public office, Claudia Bello, and she certainly has good reasons: her support for Beliz' candidacy and her criticisms of Maria Julia Alsogaray, which she recanted in Menem's presence, have wound up placing her head under the administration's guillotine.

The senator is now facing a dilemma that sooner rather than later could also confront the deputy: his chances for expanding his support seem as dependent on rifts

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within Peronism as do the Front's chances, which are limited to tiny leftist groups.

This sort of symbiotic relationship, even with more promising elements, was one that neither of the two, putting personal interests first, seemed willing to preserve.

In early summer Bordon stopped listening to the supporters who advised him not to jeopardize unity in the Front over Beliz' candidacy. Alvarez ignored the moderate suggestions of Carlos Auyero, with whom he argued bitterly last week after a press conference, and whom he prevented from reaching Bordon over the phone while the senator was hatching his final decision in Norway.

It was to be expected: each of the Front's leaders wound up going his own way. But it was also paradoxical: with one stroke of the pen Bordon and Alvarez, as members of the opposition, solved a political puzzle that had the administration stumped.

Bolivia

Bolivia: Editorial Views U.S. Certification, Aid

PY2802190396 La Paz PRESENCIA in Spanish 22 Feb 96 p 3

[Editorial: "Antinarcotics 'Certification': Different Measuring Sticks To Obtain Different Results"]

[FBIS Translated Text] On 1 March U.S. President Bill Clinton will announce which countries approved the U.S. "certification" test (the antinarcotics struggle as the Embassy puts it).

This are days of anguish, torn between the hope of receiving a pat in the back and an O.K., Good Boy [preceding expression in English] from the White House, which will allow us to breath at easy for some months; and the fear of flunking the test, with all the disgrace this failure involves.

In Bolivia's case, the U.S. ambassador said his reports to Washington was positive and there is no reason for concern, even though President Bill Clinton will have the final word.

In 1995 — year on which we were tested — Bolivia fulfilled all the goals set by the United States in the area of coca eradication and made important achievements in its drug interdiction efforts.

Therefore, we behaved well and now deserve the "certification." It would be appropriate at least — and applying the principle of shared responsibility — for the United States to maintain the same level of assistance we had in 1995 to fight drug trafficking. There are indications in Washington, however, of a firm trend toward a policy of demanding ever increasing unilateral efforts by countries involved in drug production.

This new turn in the United States antinarcotics policy, placing the heaviest burden on producer countries while permitting the constant increase of consumption in its own territory, is so unfair that it could be considered irrational. It reveals a double standard: Accuse others and demand more success from them while showing almost no progress at home.

They use different measuring sticks to obtain different results: When the matter is drug trafficking they argue that they, the buyers, are not responsible; those who produce the drug are responsible. In the case of the arms trafficking, however, they, the producers, are not responsible while the arms purchasers are.

The dependence burdening developing countries forces most of them to quietly accept the certification procedure, which besides hurting the principles of respect for the country's sovereignty and noninterference in internal affairs, is humiliating and hostile.

Other countries, like Mexico, have rejected the certification process as an interventionist practice that goes against the spirit of international cooperation. They also consider incomprehensible an attempt by the main illegal drug consumer country to judge other nations. How dare they!

Brazil

Brazil: Christopher Visit Expected To 'Improve' UNSC Bid

PY2902011896 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Feb 96 p A7

[Article by Helio Gama Neto]

[FBIS Translated Text] UN Secretary General Butrus Butrus-Ghali arrived yesterday in Sao Paulo, where he met with Governor Mario Covas during the evening. For some analysts, his presence in Brazilian territory could improve Brazil's effort to obtain a permanent seat in the UN Security Council [UNSC].

Butrus-Ghali's mandate expires at the end of the year and, despite his denials, he is allegedly campaigning for reelection. All the same, he guaranteed that he could do little for the Brazilian ambitions. "The decision regarding new UNSC members has to be made by the UN General Assembly," he said. He recalled, however, that the UN member countries agree that it is necessary to modify the composition of the UNSC to include the presidents of Latin American, African, and Asian countries.

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The subject will certainly be discussed during a meeting between Butrus-Ghali and President Fernando Henrique Cardoso tomorrow in Brasilia. However, the subject will gain momentum during another meeting that will take place at the beginning of next week between President Cardoso and U.S. Secretary of State Warren Christopher. U.S. influence with regard to selection of new permanent members of the UNSC is very great, given that the Americans are responsible for 25 percent of UN funds.

At the same time that UN member countries have a political will to see "emerging" members join the UNSC, the U.S. Government lobbied heavily to try to guarantee a permanent seat for Japan in that group, which currently is comprised only of the United States, Russia, the PRC, France, and the United Kingdom. Consequently, that would open space for three Third World countries.

Brazil: Christopher Visit Viewed, 'Reciprocity' Expected

PY2902032596 Sao Paulo AGENCIA ESTADO in Portuguese 0047 GMT 29 Feb 96

[Report by Aldo Renato Soares]

[FBIS Translated Text] Brasilia, 28 Feb (AE) — U.S. Secretary of State Warren Christopher will arrive in Brazil on 1 March for an official three-day visit. Besides visiting Brasilia, the U.S. secretary of state — a post equivalent to that of foreign minister — will visit Sao Paulo and Manaus. Despite the fact that the agenda released by the U.S. Embassy reports that only foreign trade and environmental subjects will be discussed, Warren Christopher will also have to discuss with the Brazilian Government the problems with the Amazon Region Surveillance System (Sivam), the patents bill, drug enforcement issues, and the expansion of the UN Security Council.

The Brazilian Government has already demonstrated that it wishes to please the U.S. Government. On 27 February President Fernando Henrique Cardoso and the government leader in the Senate, Elcio Alvares (PFL-ES) [Liberal Front Party-Espirito Santo], managed to convince Senate President Jose Sarney (PMDB-AP) [Brazilian Democratic Movement Party-Amapa] to advance the date of the vote on the patents bill. The bill prepared by Senator Fernando Bezerra (PMDB-RN) [Rio Grande do Norte], which has the U.S. Government's support, will be put to a vote on 29 February and not on 6 March, as Sarney intended. The patents bill has been debated in Congress for the past five years.

Brazil expects that in terms of reciprocity, the U.S. Government will adopt measures to balance trade between the two countries. Last year Brazil exported goods worth $8.682 billion to the United States and imported $10.300 billion in U.S. products, registering a $1.6 billion trade deficit. Over the past few years, U.S. exports to Brazil have increased, while Brazilian exports to the United States have declined. In 1990 Brazil exported $7.5 billion worth of goods to the United States, and in 1994 exports reached $8.8 billion, with a growth, at the time, of barely 17 percent. U.S. exports to Brazil jumped from $4.3 billion in 1990 to $7.2 billion in 1994, registering an increase of 67.4 percent. "It is clear that the trade relationship needs to be balanced," an Itamaraty source said today.

Besides the controversy over the Sivam project, the bilateral agenda [words indistinct] UN Security Council. The United States supports the entrance of Germany and Japan into the UN Security Council; up to the present, it has not officially said anything about the membership of an emerging country in the Security Council. The U.S. Government defends the direct participation of the military in the fight against drug trafficking, while Brazil opposes it. The United States opposes the construction of a road in Acre State linking Brazil to the Pacific Ocean, passing through Peru, alleging that the road construction would represent a risk to the environment.

This will be Warren Christopher's first visit to Brazil since he became secretary of state three years ago. After arriving at the Brasilia air base at noon on 1 March, the U.S. secretary of state and Brazilian Foreign Minister Luiz Felipe Lampreia will sign a space cooperation agreement. U.S. Ambassador Melvyn Levitsky and Strategic Affairs Secretary Ronaldo Sardenberg will sign nuclear cooperation agreements. Warren Christopher will be feted with a luncheon in Itamaraty Palace and, late in the afternoon, he will hold a meeting with President Fernando Henrique Cardoso in Planalto Palace. Following the meeting with the president, Christopher will depart for Sao Paulo, where he will visit, on 2 March, the construction site of the new headquarters of the U.S. Chamber of Commerce. He will give a speech on economic matters to the members of the U.S. Chamber of Commerce.

On 3 March, Christopher, who will be accompanied by Alexander Watson, assistant secretary of state for inter-American affairs, will travel to Manaus. There, he will visit the National Institute for Amazon Region Research (INPA), where he will learn about the "Amazon Vitoria Foundation," which is sponsored by the USAID. He will take the opportunity to fly over the confluence of the Solimoes and Negro Rivers from the Port of Manaus. Afterward, he will leave for Trinidad and Tobago, the

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last leg of the longest trip to the region paid by a U.S. secretary of state since George Schultz' visit in 1988.

Brazil: Senators Threaten To Postpone Patent Bill Vote

PY2802202896 Rio de Janeiro JORNAL DO BRASIL in Portuguese 27 Feb 96 p 3

[FBIS Translated Text] Brasilia — The Senate has threatened to postpone the vote on the new patent bill and the Sivam [Amazon Region Surveillance System] project because bills renegotiating the debt of the Banespa [Sao Paulo State Bank] and the privatization of the Vale do Rio Doce mining complex have annoyed senators who want to extend to the rest of their states the same treatment given to the Sao Paulo State government over the Banespa negotiation. Senate President Jose Sarney (PMDB-AP) [Brazilian Democratic Movement Party-Amapa] has already had the patent bill withdrawn from the Senate voting agenda. The patent bill was scheduled for voting on 29 February. Jader Barbalho (PA) [Para], PMDB leader in the Senate, withdrew his support for treating it urgently.

The senate agenda is jammed with 36 draft bills. The only bill on which voting is guaranteed is that on the Fiscal Stabilization Fund, scheduled for 29 February. Elcio Alvares, government leader in the Senate, summoned a meeting with the vice leaders today to consult with President Fernando Henrique Cardoso. "I will ask for guidance to harmonize everyone's interests," Alvares said.

Another project harmed by the senators' attitude is Sivam. Special Senate Committee President Antonio Carlos Magalhaes (PFL-BA) [Liberal Front Party-Bahia] sent a petition yesterday to Justice Minister Nelson Jobim asking him to urgently send him "all the files" on the open investigation into the telephone tapping incident at the home of Ambassador Julio Cesar Gomes dos Santos last September. "We want to know if the telephone tapping case affected the project," said Magalhaes by phone from the United States.

Brazil: Patent Bill Vote in Senate Slated for 29 Feb

PY2802202796 Sao Paulo AGENCIA ESTADO in Portuguese 2332 GMT 27 Feb 96

[Report by Rosa Costa]

[FBIS Translated Text] Brasilia, 27 Feb (AE) — The government managed to obtain approval today for urgent treatment of a petition for the patent bill to enable voting to be held on 29 February. The urgency treatment petition was approved by 43 votes to 11, with one abstention. The result annoyed Senator Ney Suassuna, (PMDB-PB) [Brazilian Democratic Movement Party-Paraiba], rapporteur of the patent bill in the Constitution and Justice Committee (CCJ), who wants to postpone the voting session until 26 March.

Suassuna had the support of PMDB leader Jader Barbalho, who was not at the plenum at the moment of approval of the urgent treatment petition. Suassuna said: "Two weeks ago the government asked for consideration of the bill in order to delay voting," adding: "It shows a lack of coordination to attempt to change the rhythm from one moment to the next."

The urgent treatment was requested by President Fernando Henrique Cardoso during a meeting this morning with a group of senators. The president argued that the country needs to define its position regarding intellectual property. He recalled that he would like to depart for Japan on 12 March knowing the Senate's position.

For the senators, the urgent treatment petition was influenced by the visit to Brazil of U.S. State Secretary Warren Christopher, who will reiterate his country's decision to retaliate against the Brazilian Government over the delay in approving a patent bill.

The senators will vote on the report prepared by Senator Fernando Bezerra (PMDB-RN) [Rio Grande do Norte], which is the one in which the government is interested. Parts of it must be voted on separately [destaques]. These will be presented by Suassuna, who wants to include articles from his own report. The most controversial article is the pipeline issue, the retroactive acknowledgement of patents, accepted by Bezerra but ignored by Suassuna, who drafted a bill more to the liking of the so-called nationalist sectors.

Brazil: Peru's Fujimori Endorses Brazil's UNSC Bid

PY2802193296 Madrid EFE in Spanish 0205 GMT 27 Feb 96

[FBIS Translated Text] Brasilia, 26 Feb (EFE) — Brazilian President Fernando Henrique Cardoso and Peruvian President Alberto Fujimori today in Brasilia compared mutual relations, amid mutual praise, and said they were like Siamese twins.

Fujimori said: "We were like Siamese twins — joined back to back, one looking at the Atlantic and the other at the Pacific. The time has now come to separate ourselves." Cardoso replied: "We will no longer have our backs turned toward each other and will begin to look each other in the eye."

Fujimori admitted in a brief dialogue with EFE that, within that brotherhood, Peru is not the elder brother. He said: "Brazil is the leader of South America and must head this region to allow us to have more influence."

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With this, President Fujimori committed total support for the candidacy of Brazil as a permanent member of the UN Security Council [UNSC], a position that is also sought by Argentina.

Peru supported Argentina with soldiers and airplanes in the 1982 Malvinas war and the two countries always had a great international policy affinity, but this affinity weakened when it was confirmed that Ecuador received Argentine weapons during the Ecuadoran-Peruvian military conflict of January and February 1995.

President Cardoso insisted that Brazil not only wants to represent Latin America at the United Nations but also to actively participate in the UN process of democratization and reform.

Cardoso added: "Not only in the United Nations, because we also believe there should be more Latin American participation in other international organizations such as the World Bank and the IMF."

Asked about the possibility that the Argentine Government may look at the Peruvian support with distrust, Fujimori said after a brief pause that Brazil — due to its demographic, economic, and geographic conditions — will always be a great candidate.

Fujimori added: "Brazil is a country with great potential which logically, sooner than later, must concentrate on the most dynamic economic zone on earth — which is the Pacific basin."

The two presidents thus decided to support the creation of a corridor from Ilo port, southern Peru, to the western zone of Brazil through Bolivia.

Cardoso said: "Peru is a close and necessary partner for Brazilian diplomacy, which considers Latin America its first priority."

Cardoso and Fujimori today signed the Act of Brasilia, which points out the effort for road integration, border development, and the recovery of stolen or illegally exported cultural goods in the two countries.

Peruvian Foreign Minister Francisco Tudela said that "integration with Brazil is essential" adding that the two countries "share a central geographic position in the continent and must develop their potentials."

Regarding the peace process with Ecuador, President Fujimori thanked Brazil for its participation as coordinator of the guarantor countries of the 1942 Rio de Janeiro Protocol, which established the border between Peru and Ecuador.

President Cardoso reiterated his country's willingness to help find a final solution to the conflict between Ecuador and Peru, which waged an undeclared war in January and February 1995.

The environment of cordiality between Cardoso and Fujimori did not extend to the other two branches of the Brazilian state or to social sectors.

The first of Fujimori's three-day visit was marked by protests and rudeness by reporters, politicians, and even homosexuals.

The agenda of Fujimori's visit did not include a protocol visit to the Supreme Court, which is usually paid by all visiting heads of state, because Supreme Court Chairman Jose Paulo Sepulveda Pertence excused himself due to a "busy agenda."

In Congress, Senate President Jose Sarney and Chamber of Deputies President Luiz Eduardo Magalhaes justified their absence "because they could not get to Brasilia," yet Sarney (who was Brazilian president from 1985 to 1990) was in his office until 1100.

Brazil: 'Controversy' Over Refusals To Welcome Fujimori

PY2802022596 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 27 Feb 96

[FBIS Translated Excerpt] Controversy over refusal to welcome Peruvian President Alberto Fujimori continues. The presidents of the Senate and of the Federal Supreme Court [STF], who have ignored Fujimori's visit, fraternized with dictators in the past.

[Begin Alexandre Garcia recording] Alberto Fujimori was elected president of Peru and even reelected to his position. Commander Fidel Castro reached the presidency through a revolution 37 years ago and is currently the longest-serving head of state in the world. He has never risked an election. General Alfredo Stroessner reached Paraguay's presidency through a coup d'etat and was ousted 35 years after that, in 1989. The difference between Fujimori and the other two seems to be the people's votes, but STF Chief Justice Sepulveda Pertence, Senate President Jose Sarney, and Chamber of Deputies President Luis Eduardo Magalhaes made a point of overlooking that. They all found different excuses on 26 February for not receiving the Peruvian president, who is paying an official visit to Brazil. [passage omitted]

The reason for the Brazilian officials' absence in meetings organized to welcome Fujimori seems to be the fact that the Peruvian president closed in 1992, during his first term in office, the Peruvian Congress and the Supreme Court, and charged the two institutions with

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corruption linked to drug trafficking. After that, the president held a plebiscite for the approval of a new Constitution and was relected with more than 60 percent of the votes. The Peruvian Congress and Supreme Court are now functioning normally.

Brasilia Governor Cristovam Buarque, PT [Workers Party], was in a meeting of his party's board during which a document condemning President Fujimori would be voted on, but left before the voting and went to Itamaraty [Brazilian Foreign Ministry headquarters] to have lunch with the Peruvian president. Buarque explained that he could not judge the internal affairs of a friendly country or fail to be polite. [end recording]

Brazil: Workers' Party Head on Sivam, Military Issues

PY2802225396 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Feb 96 p A2

[Commentary by Workers' Party, PT, President Jose Dirceu: "Sivam and the Military Issue"]

[FBIS Translated Text] Ten years after Brazil's redemocratization, it is necessary to solve the military problem. The scandal resulting from the Amazon Region Surveillance System [Sivam] project proves this necessity.

The case is, in itself, a shame. It was born with several original sins: the contract signed with the U.S. enterprise Raytheon without a bidding; the debts ESCA [Automation and Control Systems Engineering] had with the National Social Security Institute, as well as the fraud it perpetrated in declaring its debts with the social security system; and the influence peddling cases detected in recordings resulting from the tapping of phone conversations among Ambassador Julio Cesar Gomes, head of the Presidency of the Republic's protocol; Raytheon's representative to Brazil; and the well-known (from former President Collor's era) owner of the Lider Air Taxi company, Jose Afonso Assumpcao. This episode, known as the ambassador's phone tapping case, has caused the dismissal of Francisco Graziano from the presidency of the National Land Reform and Settlement Institute, and remains unclarified. This proves that impunity continues to prevail in the country.

Illegal and immoral ties binding Raytheon to the Aeronautics Ministry have been more than proven and broadly reported by the media. The case became more absurd still, because it involved pressure on behalf of Raytheon openly and indecently exerted by the U.S. Embassy and Congress on the Brazilian Senate.

To make things worse still, in addition to the illegality and immorality of the project, two of its essential aspects must be discussed and questioned: its effectiveness and cost. Another negative aspect of the project is the fact that it also excludes the participation of national enterprises and national technology.

As a matter of fact, the Sivam case reunites well-known Brazilian problems: corruption, influence peddling, and negligence. After all, what is the use of Sivam if the Federal Police, the Brazilian Institute for the Environment, and the National Indian Foundation have become obsolete and the Calha Norte Project has been simply abandoned? Amidst all this, the president of the Republic's authoritarianism still reigns and he insists on maintaining the validity of the contract signed with Raytheon despite all opinions to the contrary. It is good to remember that the actions of Senator Antonio Carlos Magalhaes [ACM] oscillate between opportunism and submission to the federal administration. ACM, who initially opposed the project, started to support it the moment the government solved, at our expense, the Economico Bank problem. Everyone saw the images of ACM's truculence and cowardly authoritarianism when he prevented Brigadier Ivan Frota from testifying before the Senate's super committee in charge of investigating Sivam irregularities. A new and open bidding is the least we can expect from the administration.

Nevertheless, with so much clear evidence of irregularities and illegality, why does the president of the Republic and his majority bloc in the Senate insist on approving the foreign loan for the Sivam project and maintaining in force the contract signed with Raytheon, when the obvious thing to do would be to cancel the contract, reopen the bidding, and begin a new debate about the project? I believe that two reasons can explain President Fernando Henrique Cardoso's attitude. The first one would be that he made agreements about Sivam with the U.S. Government during his electoral campaign. The second one would be Cardoso's well-proven incapacity to say no to the military area. This is a result of our political elites' incapacity to definitively break with the past; of the common fear over the military issue; and, in particular, of the lack of a democratic proposal for an Armed Forces (FA) reform.

In order to reverse this situation, it is necesary to open a democratic debate about our FA, in society as well as in Congress, in order to establish a defense doctrine and a defense policy; to have a definition with regard to the ideal size of the FA; to choose between the characteristics (voluntary or mandatory) of the military service; and to implement programs for technological modernization, because, ultimately, the FA are supported by the tax payers and by society as a whole. All this, however, requires access to information on the FA and a non-biased position for discussion of the curriculum to

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be adopted in the military schools; the FA's internal rules, discipline, and training; and a constitutional and congressional civilian control over the military intelligence services, expenditures associated with military personnel, FA costs, and FA investments. If the FA cost the country 14.927 million reals (expenditures for retired military personnel excluded), if 316,058 Brazilians (active contingents) belong to the FA; if, according to the Constitution, they are responsible for defending our national sovereignty, and for enforcing law and order whenever the institutional powers require them to do so; and if they must work for our national integration and development, it is more than fair to have the Brazilian society decide about the reforms the area requires, as well as about its future.

The FA are facing an identity crisis, particularly regarding their military doctrine. It is evident that administratively and technologically, the FA are old-fashioned. On the one hand, it is evident that the FA lack resources; on the other hand, it is evident that there is squandering.

There are many military projects under way and they represent a great amount in terms of expenditures — be it in initial investment or in maintenance later on. Some of these projects are: the Calha Norte Project, the AMX plane project, the nuclear submarine project, and the Complete Brazilian Space Mission. In addition to those, we now have the Sivam project.

Based on the presupposition that the civilian power prevails over all other national powers, the PT believes that Brazil urgently needs to start debating the military issue. This debate involves the establishment of a Defense Ministry and a broad and modernizing administrative reform, which should also include the establishment of a military social security system. We must resume the debate on the military issue and begin a broad discussion about the democratization of the FA and the projects that are under the FA responsibility.

In its government program for the 1994 elections, the PT presented proposals on the military issue and on national defense because we believed these issues are of interest to society as a whole. Let us hope this debate can now start without prejudices or revenge. Let us hope it will start with a firm decision to transform our FA into a republican institution subject to a constitutional civilian command.

Brazil: Roundup of Economic Reports Through 28 Feb

PY2802235696

[FBIS Report] The following is a compilation of reports on economic activities in Brazil monitored through 28 February:

BASIC LEADING INDICATORS

Industrial Employment Declines — According to a survey conducted by the Brazilian Institute of Geography and Statistics, IBGE, industrial jobs declined by 26 percent from 1989 to 1995. The IBGE survey, which was released on 23 February, notes that industrial employment declined by 1.8 percent in 1995. The survey shows that the sharpest drop in industrial jobs in 1995 occurred in Minas Gerais, where it declined by 3.5 percent. In 1995, industrial employment also dropped by 3 percent in the southern region; by 2 percent in Rio de Janeiro; and by 1.2 percent in Sao Paulo. Only in the northeast region did industrial employment increase in 1995, by 0.8 percent, as a result of the growth reported in the areas of plastics industry, 16.8 percent; food, 14.8 percent; electrical and communications equipment, 12.9 percent; beverages, 9.4 percent; and cigarettes, 9.6 percent. The IBGE survey adds that the worst drop in the industrial employment rate in 1995 was reported in December, when it declined by 9.2 percent compared to that of December 1994. In relation to November 1995, the December 1995 rate entailed a 1.9 percent decline. The survey notes that the accrued industrial employment decline from May to December 1995 stood at 10.4 percent, if compared to the April rate. The report also shows that the largest number of dismissals were reported in the garment industry, 11.9 percent; the mining industry, 7.9 percent; and the rubber industry, 5.4 percent. By contrast, the salaries paid by Brazilian industrial sectors increased by 6.5 percent in 1995. The amount paid for salaries in December 1995 was 1 percent higher than that of December 1994. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Feb 96 Section 2 p 1)

FINANCIAL OPERATIONS

Higher Foreign Debt Interest Payments — In 1995, the Brazilian Government paid 5.6 billion reals, R, more in interest on the domestic and foreign public debt than it did in 1994. This is the main indicator of the cost Brazilian society is paying for the Finance Ministry's high interest rate policy. The government had to spend a total of R14.237 billion — which is almost equivalent to the 1995 federal health budget; that is, R15.8 billion — in expenses connnected with interest payments. In its 1995 budget proposal, the administration had initially estimated that net interest payments would not exceed R6.5 billion, but the high interest rate policy enforced since March 1995 caused these expenses to jump to R14.237 billion, compared to only R8.637 billion in 1994. The situation is even more serious because, according to Finance Ministry experts, interest payments in 1996 will not be much lower than that of 1995. The operational public deficit of 4.95 percent of the GDP in 1995 entailed an outrageous

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growth of federal revenues, which increased by R18.589 billion; that is, by 17.4 percent, compared to 1994. The growth in revenues should have sufficed to balance public accounts, but public spending grew at an even faster pace, by 26.2 percent, compared to 1994. In sum, the federal government spending was R25.071 billion higher in 1995 than in 1994. In addition to interest payments, public payroll expenses also grew by R8.235 billion in relation to 1994. Overall salary expenses totaled R37.170 billion in 1995, compared to R28.935 billion in 1994. Social security expenses also increased by R8.016 billion, with total expenditures reaching R33.887 billion and total revenues R25.871 billion. (Sao Paulo AGENCIA ESTADO in Portuguese 2244 GMT 25 Feb 96)

Debt of States, Municipalities Increases — The BC has reported that the debt of state and municipal administrations rose by 41.7 percent in 1995; that is, it jumped from R51.09 billion in December 1994 to R72.43 billion in December 1995. The main cause of the large deficit suffered by states and municipalities is the high interest rates they are forced to pay on their debt. Excluding the amount paid to compensate for inflation, their deficit amounts to R15.8 billion — which amounts to 2.43 percent of the GDP. This amount accounts for nearly half of the entire public deficit which — the federal administration and state-owned companies included — amounted to R32.22 billion; that is, 4.95 percent of the GDP. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Feb 96 p B3)

FISCAL, MONETARY ISSUES

Balance of Payments Surplus — The Central Bank, BC, reported on 23 February that the Brazilian balance of payments had a $12.91 billion surplus in 1995 thanks to the inflow of foreign capital. Foreign money has once again been used to finance current account transactions such as those involving the trade balance, unilateral transfers, and services such as interest payments, remittance of profits, and dividends. Capital accounts — incoming fresh money less amortization of debts — represented a net surplus of $30.7 billion in 1995, compared to $8.9 billion in 1994. This surplus was more than enough to cover the $17.784 billion deficit in current transactions, which was far higher than the $1.689 billion deficit reported in 1994. The BC report notes that the trade balance deficit accounted for $3.15 billion of the deficit in current accounts. There were also higher expenses under the item services, primarily on account of interest rates linked to the London Inter- Bank Offered Rate and of increased debts contracted by the private sector. Travel expenses have also increased, especially through the use of international credit cards, from $1.18 billion in 1994 to $2.41 billion in 1995. Credit card purchases accounted for $1.1 billion in 1994 and for $2.28 billion in 1995. (Sao Paulo AGENCIA ESTADO in Portuguese 2329 GMT 23 Feb 96)

Public Deficit Increases — The BC reported on 23 February that the public accounts closed 1995 with a R47.83 billion nominal deficit, which amounts to 7.35 percent of the GDP. The BC added that the public operational deficit amounted to R32.224 billion; that is, 4.95 percent of the GDP. Thus, the net public debt increased from R153 billion in 1994 to R207.541 billion as of late 1995. The BC notes that municipal and state administrations were primarily responsible for the public deficit reported in 1995: They alone accounted for R24.019 billion — 3.69 percent of the GDP — of the nominal deficit, and for R15.807 billion — 2.43 percent of the GDP — of the operational deficit. While the net domestic public debt rose from R108.806 billion in late 1994 to R170.117 billion in 1995, the net foreign public debt dropped from R44.357 billion in 1994 to R37.442 billion in 1995. The net public domestic debt of the federal administration rose from R33.39 billion in 1994 to R66.55 billion in 1995. As a result of the issuance of bonds to reduce the amount of reals in circulation, the federal debt in bonds jumped from R61.78 billion by late 1994 to R108.58 billion by late 1995 and to R117 billion as of January 1996. (Sao Paulo AGENCIA ESTADO in Portuguese 2253 GMT 23 Feb 96)

Chile

Chile: Insulza Wants Diplomatic Talks on Grapes Case

PY2702030196 Santiago EL MERCURIO in Spanish 25 Feb 96 pp A1, A15

[Report from Linares by correspondent Raul Balboa]

[FBIS Translated Excerpt] Chilean Foreign Minister Jose Miguel Insulza said yesterday in this city that the U.S. Government cannot consider closed the case of cyanide-laced grapes, and emphatically said that this matter should be resolved through negotiations between the two countries.

Insulza said that the Chilean Government merely wants diplomatic negotiations, and asserted that this subject is included on the working agenda drafted for U.S. Secretary of State Warren Christopher's visit.

Minister Insulza thus refuted statements yesterday by Harriet Babbitt, U.S. ambassador to the OAS, who is one of the members of Christopher's entourage. [passage omitted on background of grapes case]

Yesterday Insulza said: "After so many years this subject cannot be considered closed because any claim can go either well or badly.

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The minister had refrained from making many comments on the case of the cyanide-laced grapes because his ministry has resumed secret talks between the U.S. Government and involved parties.

But in view of Ambassador Babbitt's comments, Insulza said that the United States cannot choose the easy way out and just consider the case closed because it represented serious economic damages to the country and damaged Chile's international image.

He recalled that political negotiations in search of some type of compensation were started under President Patricio Aylwin's administration.

Insulza said: "One can either do well or badly in that field, but at some point the U.S. Government suggested" — he repeated this word twice — "that the issue be aired before the U.S. courts, that we bring the issue before the courts and that they issue a ruling."

He added that this is why the producers and exporters accepted the proposal and went before the U.S. courts. But the U.S. Government then said that this case was outside the Supreme Court's jurisdiction and the court closed the case in compliance with the government's argument.

Insulza said that "the government was thus faced with a contradictory situation. On the one hand, it followed the suggested path, and on the other, that path was closed, not with a trial, but because the U.S. Government said it was outside the U.S. court's jurisdiction."

The foreign minister said that in view of this, the only path left for Chile is the diplomatic path. "Someone will have to be the appropriate person to solve this problem because we want it solved," he commented.

Despite this Chilean Government resolution, Insulza clearly stated that they are not very optimistic, and recalled that the U.S. has a saying: "Everyone is entitled to their day in court."

Therefore, he said, Chile has a right and will exercise it. He said that this is why he has proposed that the subject be discussed at the governmental level, where there is the best relationship.

Insulza noted: "Therefore, we are requesting negotiations regarding a subject that is pending. Moreover, this issue is on Christopher's working agenda."

Journalists asked Insulza about this subject during the visit to the city of Linares in response to an invitation extended to him by National Renewal Party Deputy Luis Valentin Ferrada, to renew customs and family ties.

Chile: Grapes Case 'Priority' for Christopher's Visit

PY2802212196 Santiago EL DIARIO in Spanish 28 Feb 96 p 19

[FBIS Translated Text] There is a generalized consensus among businessmen about the 24-hour visit to Chile of U.S. Secretary of State Warren Christopher: the poisoned grapes case must be of paramount importance at the meeting he will hold with President Eduardo Frei and Foreign Minister Jose Miguel Insulza.

Although they point out that the visit is very short and that he is coming only to fulfill a promise, they all agreed that it is always important to receive a secretary of state.

Hernan Somerville, president of the Production and Trade Confederation (CPC), said solving the conflict over the poisoned grapes case is a priority. He said: "For reasons of consequence and consistency, the country cannot leave it aside. It is not possible for Chile to have had such different relations with a partner. The demand is absolutely legitimate."

Somerville said the benefit of the visit lies in the fact that we will be able to talk on equal terms on freedom of trade, marketing, elimination of restrictions, and shunning protectionism.

He said that given the importance of the Latin American market for the United States and the influence Chile has in the region, that country will seek greater integration.

Although he explained that the issue of Chile's entry into NAFTA is always present at the meetings, its postponement is the consequence of internal U.S. problems. He said: "Being practical and realistic, this will not be resolved this year until the electoral dispute is over, especially when Republican candidates are showing a very protectionist position."

Concerning the renewal of the General Preference System (GSP), he said that until an agreement is negotiated with NAFTA, that step is essential. He said: "Renewal must be sought while we await NAFTA."

Meanwhile, Ronald Brown, President of the Chilean Exporters Association, said he expects officials from the two countries will make a decision on the poisoned grapes case. He said: "They must admit that there is a pending problem and that it affects trade relations. We want this to be clarified and a solution be found through the action of some independent court."

He recalled that the Bryan Committee did not yield results because it was not recognized by the United States as a means of intermediation. He added, however,

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that they are willing to accept the intervention of another independent group.

Regarding the GSP, he warned that it is an aspect that affects the country within a global perspective and hopes that once U.S. domestic problems are resolved there will be a decision to grant this guarantee retroactively.

The National Exporters Corporation expressed a similar position through its president, Cristobal Valdes. He said that a solution to the conflict over the grapes case must be found. He said: "It is more important than any other issue on the agenda and must not be treated as secondary."

Roberto Fantuzzi, president of the Association of Exporters of Nontraditional Manufactured Products (Asexma), expressed ambivalent feelings on the visit. On one hand, he terms it positive, but objects to the length of stay. He said: "A person who comes for one day gives the impression he is coming only to fulfill a promise." Nevertheless, he believes this visit is essential for trade relations with the United States.

He explained that he has two priority issues with the United States: NAFTA and the grapes case. He said: "Pride prevents us form leaving aside the grapes issue. They must admit they made a mistake even if they do not pay us."

He said Christopher's visit alone allows us to harbor greater hopes of NAFTA.

Concerning the possibilities that the United States may renew the GSP, Fantuzzi said it is vital for trade with that nation. He said: "There is no doubt Chile is a developing nation. Even though taxes are low, the 3 percent or 4 percent plus given by the GSP decides a purchase."

Juan Riveros, president of the Association of Metallurgical Manufacturers (Asimet), agreed with the others: The poisoned grapes case is a priority. He said: "I trust a solution will be sought, and I hope Christopher intends to resolve the conflict."

Riveros also agreed with the idea that until the United States resolves its internal problems, the NAFTA issue has no future.

Chile: Exporters Call on Christopher To Solve Fruit Case

PY2802182896 Santiago EL MERCURIO in Spanish 28 Feb 96 p A8

[Open letter published by the Chilean Exporters Association]

[FBIS Translated Text] Mr. Warren Christopher, Secretary of State of the United States.

Sir:

We again welcome in our country an important official of the United States, a country that has a debt with Chile for many years as a result of the aberrant embargo ordered by the FDA in March 1989.

Chilean exporters again raise their voices to denounce the delaying and evasive attitude of U.S. officials who have denied our legitimate right to have our case heard by an independent court.

Mr. Christopher: Chile is a country that respects and fulfills its international commitments. You know better than anyone that Chile was forced to assume the responsibility, regarding the United States, of paying indemnity as a result of mistakes made in the past. You clearly know better than anyone that the facts infallibly condemn the U.S. officials who decreed such a disastrous embargo. All the facts gathered by prestigious independent organizations categorically prove there was absolutely no contamination in our country, and that the contamination occurred in the FDA lab in Philadelphia, where flagrant procedural mistakes were committed.

Mr. Christopher: The time has come for your country to assume its responsibility in this case and allow a court to study the events of 13 March 1989. This cannot be made in your country because your officials, under the protection of immunity of jurisdiction, did not allow a court to review the merits of this case. The United States must accept some bilateral mechanism to establish responsibilities and to pay indemnization to those who have been unjustly affected.

We believe the majority of Chileans think this way, because what is at stake is the dignity of an entire people, the sources of work of hundreds of thousands of workers, and the effort of many years of producers and exporters.

We urge you to take the necessary measures to find a definitive solution to this controversy, that justice be done, and to assume responsibility for the mistake made.

Truly yours.

Ronald Bown Fernandez,

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President of the Chilean Exporters Association.

Chile: Communist Party Repudiates Christopher Visit

PY2802200296 Santiago LAS ULTIMAS NOTICIAS in Spanish 28 Feb 96 p 8

[FBIS Translated Text] Gladys Marin, general secretary of the Communist Party of Chile [PCCh], has voiced the PCCh's rejection of the visit by U.S. Secretary of State Warren Christopher to Chile. Christopher was supposed to arrive in Chile yesterday evening.

Marin said: "It is outrageous for them to come to give us recipes of good conduct" and for the Chilean Government "to support U.S. interference in domestic policy matters."

Gladys Marin said that to express the PCCh's repudiation of Christopher's visit to Chile, the PCCh will stage a demonstration while the U.S. official is meeting today with President Eduardo Frei Ruiz-Tagle at La Moneda Government House.

Alluding to the crisis unleashed between the United States and Cuba over the downing of two planes, Gladys Marin said the U.S. secretary of state's visit "is ill-timed because it comes precisely when the White House is upholding a hostile attitude toward a Latin American government."

Chile: Daily Hopes Christopher To Contribute To Ties

PY2802182696 Santiago LA SEGUNDA in Spanish 27 Feb 96 p 8

[Editorial: "Warren Christopher's Visit"]

[FBIS Translated Text] Chile's relationship with the first world power is undoubtedly important for our country. Therefore, U.S. Secretary of State Warren Christopher's visit — the first at this level since the mid 1960's — is undoubtedly significant.

During a brief stay of less than one day he will carry out a busy working agenda that includes a meeting with the president of the Republic and the foreign and justice ministers. He will then continue his tour that comprises four Latin American countries.

Clinton's administration obviously wants to improve its image and show its concern over continental issues, due to the fact that until now the offers contained in the Initiative of the Americas proposed by President Bush have not materialized. Economic issues and especially trade issues are more important now that political situations of the past have been overcome, that the need for a hemispheric defense system no longer exists, and that democracy has been restored in Latin American countries — with the exception of Cuba. However, there do not seem to be any chances of favorable change regarding two concrete issues that affect Chile: Our chance of joining NAFTA is still tied to U.S. internal political party struggles, and the U.S. ambassador says the issue will not be broached for the time being. The problem of the cyanide-laced grapes — which is the other "great issue" pending for Chile — according to the ambassador as "not a key issue for Christopher."

Therefore, nobody should be surprised by skeptical comments on the results of this tour. Various representatives of the political spectrum insist on the need for the U.S. administration to materialize, with concrete deeds, its auspicious statements that have constantly awaken great expectations. This spirit should be concretely reflected in an advance of the negotiations for a free trade agreement. People believe Washington has a debt with Chile in this field and in the grapes case, a case that cannot be dropped just because it is regarded an issue of the past on which there are pending diplomatic negotiations.

It is surprising that many outstanding Chilean personalities share similar viewpoints — with some exception, of course. Therefore, as the foreign minister disclosed, the government will hopefully will convey these concerns, even though this is not the occasion to materialize those agreement. It is, however, the occasion for Chile to clearly state its position. There is no harm in recalling that the Chilean ambassador to the United States has made very optimistic comments about the future of these relations and some of these should surface on this occasion.

Chile: Effects of Christopher's Visit Viewed

PY2802183996 Santiago LA NACION in Spanish 28 Feb 96 p 5

[Editorial: "Warren Christopher in Chile"]

[FBIS Translated Text] U.S. Secretary of State Warren Christopher's visit to Chile within the framework of a Latin American tour of five countries, constitutes the first by a U.S. secretary of state since the implementation of the democratic transition process. George Schultz, U.S. secretary of state during the Reagan administration, visited Chile 7 years ago but since then great changes have given this part of the world a new political physiognomy. Schultz was welcomed by ruling military government leaders while today the situation shows a drastic change: Without giving too much detail, 17 presidents have been elected through citizens' votes in the region in the last three years.

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Christopher's visit comes within the framework of political consultations between Chile and the United States, but this is the first to be held at the foreign ministers' level. Christopher will meet this morning with Foreign Minister Insulza. During this meeting, they will discuss among other issues, the revision of the Miami Summit agreements; progress regarding the NAFTA agreement; drug enforcement; and the cyanide-laced grapes case. At noon, President Frei will meet with him during a private meeting during which they will probably discuss similar issues.

This will be a good occasion to review pending bilateral issues, particularly the delay in the entrance of Chile into NAFTA. As it is well known, it is very unlikely the U.S. Congress will approve a fast track this year because the United States is submerged in an election year. At any rate, the United States continues to uphold the entrance of Chile in NAFTA.

In addition there is the controversial grapes case which is far from being closed, as was erroneously announced by the U.S. ambassador to the OAS. In fact, the Chilean Government and farmers have not ceased in their efforts to obtain a fair indemnization. After many years and a series of inexplicable delays, a definitive solution should be achieved.

Not everything has been smooth in U.S.-Latin American ties, but fortunately open military and political interventions and covert interferences seem to be part of the past. The United States is said to be today committed to upholding a foreign policy based on equal footing with Latin American countries. This was the spirit that prevailed at the Americas Summit in December 1994 in Miami, and is the one that should prevail in our future ties.

Unlike in old times, the United States is today prioritizing the implementation of democratic values beyond the protection of certain allies with a doubtful reputation identified with the worst forms of despotism. To agree on the defense of freedoms certainly represents great progress.

Christopher's visit creates the possibility for a frank dialogue between the Frei and Clinton administrations with the objective of strengthening bilateral political, commercial, and cultural ties. Chile's current economic growth and democratic progress make this a particularly propitious time to strengthen these ties even further.

Chile: Christopher's Visit Viewed, Open Agenda Praised

PY2802201796 Santiago LA EPOCA in Spanish 28 Feb 96 p 8

[Editorial: "The Secretary of State's Visit"]

[FBIS Translated Text] Mr. Warren Christopher's brief stay in Chile is a landmark in U.S.-Chilean ties.

After decades of wavering ties affected by domestic policy decisions, the two countries have reestablished a basic affinity of principles and guidelines following the restoration of a constitutional government in 1990. This has been fully expressed in common views on numerous extensive bilateral and hemispheric issues and in the pending effort to get Chile into NAFTA.

The conventional phrase "good ties between the two countries" genuinely describes the framework in which Chile is welcoming the U.S. secretary of state. We are united by the implementation and enforcement of democratic principles, economic freedom, and social justice. Moreover, the two countries are committed to establish a stable international system based on the prevalence of international rights, respect for human rights, the self-determination of countries, and peaceful coexistence. Chile's participation as a member of the UN Security Council and its specific contribution to peace-keeping missions in Kuwait and Cambodia, among others, supports the active relevant role that befits our country in these efforts, in addition to our participation in international cooperation and trade activities.

Mr. Christopher's "open agenda" during his stay in Chile is particularly auspicious. This allows for discussions on an ample range of subjects that are of interest to the two countries and also to progress on some issues that are difficult to resolve. The issues affecting the two countries are so varied and not necessarily interrelated that officials have been compelled to adopt a flexible method of discussion like the one to be adopted during the U.S. secretary of state's visit.

Notwithstanding, it seems obvious that on this occasion Chile's entrance into NAFTA will be one of the issues discussed. The justified waiting for the electoral results in November should not obstruct the negotiations in the eventual case that the new elected White House and U.S. Congress officials favor an agreement with Chile. Furthermore, the case of the cyanide-laced grapes should not be left out of bilateral discussions until we have exhausted all ways to repair our prestige as an exporting country and achieve reimbursement for the cost caused by the incident that Chile has been justly claiming for many years.

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Chile: Editorial Says Christopher Visit To Enhance Ties

PY2802181696 Santiago EL MERCURIO in Spanish 28 Feb 96 p A3

[Editorial: "Ties With the United States"]

[FBIS Translated Text] The visit by U.S. Secretary of State Warren Christopher is a good opportunity to strengthen ties with the United States and to eliminate unnecessary obstacles. We share the same values of democracy and market economy which constitute solid bases for bilateral trade, and the incorporation of huge capital investments and technology in private business. Moreover, Chile has been exempted from the financial crisis and from the corruption and narcotrafficking charges that have undermined the credibility of several countries in the region. Nevertheless, this is not achieved merely by having the proper framework but also through willingness, capability, and creativity to achieve those specific agreements that will strengthen ties.

In general, Chilean-U.S. ties are strong and the few prevailing disagreements can be overcome. Nevertheless, it is not easy to overcome mistrust and skepticism in the negotiations. In view of this while it is true there is a fruitful cooperation, no solution has been found over the indemnization of the two allegedly cyanide-laced grapes; the NAFTA negotiation offer is still pending; restrictions on the Air Force to acquire modern technology flight material is still enforced; there are innumerable barriers, quotas, and subsidies that affect the export of certain Chilean products; obstacles regarding the issuance of visas continue; and the automotive policy levies taxes on the import of U.S.-made vehicles while entrance of foreign investments are subjected to the payment of tariffs, authorizations, and other taxes. The elimination of all these difficulties would place diplomatic and commercial ties at the proper level. There is no reason for not making a gracious payment for the arbitrary or harmful deeds which resulted from the fruit embargo or for presuming that a country that upholds international rights and has neighbors that have relevant air fleets is purchasing planes for offensive purposes. However, what is unbelievable is that all these protectionist measures are adopted by the greatest promoter of free trade.

Moreover, there are other differences inherent to sovereign decisions, and which, therefore, are not subject to negotiations — in particular the U.S. position regarding the controversial diplomatic normalization between the Chilean Government and Fidel Castro; the Chilean rejection of the U.S. trade embargo on Cuba; the demand made to large drug consumer markets to adopt effective actions; and the disagreement over the Chilean Armed Forces Organizational Regulations. A reciprocal noninterference in domestic affairs is essential to achieve international coexistence.

The visit of the U.S. secretary of state should resolve pending problems and open new cooperation paths. It would be regretful if his visit only serves current domestic U.S. policy objectives. It is well known that Latin American immigrants play an important role in the U.S. elections and that the Clinton administration is criticized for its lack of interest on the situation in Latin America. The authorities may overcome mistrust through agreements that promote the interest of both countries and resolve old dispute within the framework of an atmosphere of mutual respect for their respective domestic situation.

Chile: Minister Rules Out Bilateral Sanctions on Cuba

PY2802220996 Madrid EFE in Spanish 2031 GMT 28 Feb 96

[FBIS Translated Text] Santiago, 28 Feb (EFE) — The Chilean Government today did not rule out the possibility of supporting sanctions against Cuba within international organizations, but warned that it does not believe in bilateral sanctions.

Chilean Foreign Minister Jose Miguel Insulza said this during a joint news conference with U.S. Secretary of State Warren Christopher who today ended a visit of less than 24 hours to Chile.

Christopher and Insulza stressed the support of the two countries to the UN Security Council resolution which deplores the downing of two planes of a Cuban anti-Castro group by the Cuban Air Force last Saturday, and to the international investigation of the incident.

Insulza explained, however, that for Chile "sanctions represent a measure that falls within the international law to the extent that they are adopted by international organizations."

"We do not believe in bilateral sanctions," the Chilean foreign minister said. Chile resumed diplomatic relations with Cuba on 7 April 1995.

He said: "We do not rule out the possibility of discussions on the issue of sanctions within the UN Security Council."

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Chile: President's 1996 Foreign Trips Announced

PY2702162796 Santiago EL MERCURIO in Spanish 25 Feb 96 p C3

[FBIS Translated Excerpt] President Eduardo Frei has extensive tours abroad on his agenda. His first this year will be a state visit to Brazil from 24 to 28 March.

Francisco Perez Walker, protocol director of the Foreign Ministry, said this will be President Frei's first trip of at least seven already decided or under study, while more trips could be made this year.

The visit to Brazil will include Brasilia, as well as other cities like Sao Paulo, and Porto Alegre, where he will attend important seminars with Chilean and Brazilian businessmen. A group of Chilean private businessmen will join the official delegation while others will go on their own because they believe the Brazilian market and the bi-oceanic projects are very important.

President Frei is also expected to visit Central America in April and he has also been asked to bring businessmen with his delegation.

A trip to Argentina is planned for 24 and 25 April, also with the participation of ministers and businessmen.

Perez Walker said: "This is how we open our market and encourage our exports. This helps not only our exporters but Chile and all Chileans."

The date for President Frei's state visit to Canada has not yet been established but it could come in the middle of the second half of this year.

In September, President Frei will attend the Rio Group Summit in Bolivia, in October he will visit Great Britain, and in November he will attend the Ibero-American Summit in Chile. In November, he will also attend the Asia-Pacific Economic Cooperation meeting in the Philippines.

The agenda of the presidential trips includes eventual agreements with the Mercosur [Common Market of the South], and the European Union. Frei's visits will depend on the level given to those agreements.

Perez Walker said: "Once the negotiations are over, we will see how the agreements are formalized." [passage omitted]

Several presidents and international personalities will visit our country this year.

In addition to the visit of U.S. Secretary of State Warren Christopher, who is arriving in the evening of 27 February, other personalities will visit Chile — among them Yasir 'Arafat, chief of the Palestinian National Authority, and 23 presidents and chiefs of state from 7 to 11 November for the Ibero-American Summit.

These high level contacts will be complemented with the trips abroad planned by President Frei who, in face of criticism last year, does not plan to limit the number of visits but to shorten his stay abroad. [passage omitted]

Chile: Figures Show 8.4 Percent Economic Growth for 1995

PY2902002896 Santiago EL MERCURIO in Spanish 24 Feb 96 pp A1, A19

[FBIS Translated Excerpt] The Central Bank [BC] has reported that the Chilean economy experienced an 8.4 percent growth rate during 1995. This means that, for the first time in more than 30 years, the increase of goods produced in Chile surpassed the accumulated inflation rate during the same period, which — as should be recalled — amounted to 8.2 percent.

This figure is reflected in the increase of the 1995 Monthly Indicator of Economic Transactions (Imacec) calculated by the BC that amounted to 8.4 percent.

This variable measures the productive increase of sectors with a greater impact on Chilean economic development. Among these sectors are the construction, industrial, commercial, and energy fields.

As its name states, the Imacec is disclosed every month by the BC. Yesterday it was learned that the Imacec for December amounted to 8.6 percent.

It was thus possible to calculate 1995's annual growth, giving an approximate idea of the overall growth of the productive sector.

This figure is reflected in the GDP that will be calculated next month and usually matches the Imacec, with a margin of error of approximately one tenth.

Finance Minister Eduardo Aninat termed the cumulative 8.4 percent increase of the Imacec a confirmation of the estimates made by the government that Chilean economic growth during 1995 would be around the mentioned figure.

After learning that the annual inflation rate for 1995 amounted to 8.2 percent, the lowest during the past 35 years, the government asserted in January that, for the first time in more than 30 years, the product increased more than prices.

Aninat said: "This shows that the Chilean economy grew in a solid but also stable manner."

Aninat also mentioned the increase of the employment rate, which grew by 1.1 percent in 1995 as compared to 1994; that is, 55,000 new jobs were created.

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He also mentioned the results of last year's trade balance. Aninat said: "The most important thing is that we are starting 1996 on the right foot. We have quite sound footing to be able to meet the government's and Central Bank's goals for this year." [passage omitted]

Colombia

Colombia: General's Resignation Reportedly Signed, Ready

PA2902032796 Santa Fe de Bogota Inravision Television Canal a Network in Spanish 0000 GMT 29 Feb 96

[Report by anchors Jorge Alfredo Vargas and Maria Cristina Uribe; from the "Seven O'Clock Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0100 GMT 29 February]

[FBIS Translated Text] Attention to this report. The rumors about Military Forces Commander General Hernando Camilo Zuniga have increased in recent days. The letter in which Gen. Zuniga requests his removal from active service has been written. The "Seven O'Clock Newscast" has seen it, but it has yet to be submitted to the defense minister.

Deep differences of opinion with the defense minister, which reached the lowest point in recent days, prompted Military Forces Commander Gen. Camilo Zuniga Chaparro to seriously consider the decision to leave his post. His decision is irreversible. In fact, he even has his farewell speech in his desk; the letter requesting his removal from active service remains in his desk, signed and waiting to be delivered at the most appropriate time.

Generals who are Zuniga's subordinates have asked him to continue in active service. Nevertheless, sources close to the defense minister state the relationship has become practically untenable. Anyway, Gen. Camilo Zuniga wants his departure from the armed forces to occur in the most discrete way possible. That is why his resignation has not become effective.

Defense Minister Juan Carlos Esguerra was consulted by the "Seven O'Clock Newscast" about the alleged rift between him and Gen. Zuniga. He said this is not true. On camera he answered questions on this issue with great political ability.

[Begin recording] [Unidentified reporter] During your meeeting with Gen. Zuniga this morning did he or did he not submit his resignation?

[Esguerra] No, sir. He did not submit his resignation or, as it is actually called, his request for removal from active service. This is an issue he is still considering and he has yet to notify me about any decision he may have adopted on this issue. This clearly tells me he has yet to adopt a definite decision.

[Unidentified reporter] Would it be wrong to state he is still studying the possibility of resigning in the near future?

[Esguerra] No, you are not wrong. No, if you talk about the near future and if you talk about other things, you will eventually make a mistake. He did not mention having adopted any specific decision on this issue. [end recording]

Colombia: Minister Details Foiled Attack on Ministry

PA2802195696 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 28 Feb 96

[Telephone interview with Defense Minister Juan Carlos Esguerra Portocarrero, place not given, by Caracol News Director Dario Arizmendi and Judith Sarmiento in Santa Fe de Bogota and Diana Montoya in Miami; from "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] Defense Minister Juan Carlos Esguerra Portocarrero is on the line.

A large terrorist attack apparently against the Defense Ministry as well as the National Police Building on El Dorado Avenue was thwarted late afternoon yesterday. Good morning, Mr. Minister.

[Esguerra] Good morning.

[Arizmendi] What additional details can you give us about this operation?

[Esguerra] I really do not have any additional information besides what is already known. There were six mortars with their respective charges to make them explode, characteristic of those the guerrillas fabricate. Four of them were pointing toward the headquarters of the Defense Ministry and the other two toward the National Police.

[Arizmendi] None of them were pointing toward the U.S. Embassy located in the same area?

[Esguerra] Not that we know of.

[Arizmendi] Theoretically, based on preliminary investigations, were those six mortars with their explosive charges reportedly planted in the afternoon hours?

[Esguerra] It seems that they had just been placed there and that the perpetrators were in the process of completing the task of putting them there and getting them ready with the explosive charge they needed to be activated. We also found some camping material, for example, a container with food, and other objects

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suggesting that someone was in charge of guarding the area and apparently planning to remain there for a while.

[Arizmendi] Is the area so unprotected that a setup as the one you described could be installed without being noticed?

[Esguerra] There are some empty lots where there are no buildings on the other side of 26th Street and El Dorado Avenue; that is, abandoned lots, considering the condition in which they are. Those conditions have made it possible to hide the explosives there. Fortunately, someone who was passing by, a very good citizen, I would say, noticed some suspicious movements and the presence of an individual who also looked suspicious. He immediately notified one of the ministry's external guard patrols made up of soldiers. They immediately investigated the report, and after they found out what was happening, they immediately requested the necessary support from the Military Police and the National Police, in both cases with bomb experts, to deactivate the deadly explosives.

[Arizmendi] How much damage would the explosion have caused had the six mortars been activated?

[Esguerra] The damage would have been quite large, because they were 60mm mortars. I understand that those weapons are capable of breaching a wall, and they have enormous destructive power once inside the building due to the shock wave they generate and the large amount of small particles they disseminate. The explosion creates a really terrifying, machine-gun effect. Every time someone explains to me what could have happened, I try not to think about it.

[Arizmendi] Are there any arrests in connection with this action?

[Esguerra] Not yet. The only suspect who was nearby when the citizen reported what he had seen heard the movements and managed to escape before the soldiers arrived.

[Sarmiento] The truth is that there are several abandoned lots with no buildings in the area where the Defense Ministry and the police headquarters are located. Will additional measures be adopted now in view of what was discovered there?

[Esguerra] Yes. Security was reinforced last night in the areas near the Defense Ministry and the National Police. In the case of the Defense Ministry, we must take into consideration that there are other offices in that same building, including the general commands of the Army, Air Force, and Navy. All the offices associated with the Defense Ministry and the military forces are concentrated there.

[Arizmendi] Will those measures affect traffic?

[Esguerra] No. We are doing everything possible to avoid the disruption of normal activities. It would be beyond our control should there be any inconvenience. We apologize to the people for any inconvenience and request their understanding.

We are living in difficult days and are permanently receiving threats and messages clearly indicating that subversive activities are being transferred to the city of Santa Fe de Bogota where terrorist actions are being planned. As you know, during the past 10 or 15 days we have discovered various examples of the same.

[Arizmendi] Would you definitely attribute this action to subversive groups, or could it have been carried out by drug traffickers?

[Esguerra] What happens is that we cannot establish a difference nowadays between those groups, or at least not very clearly, because rebel groups these days are engaged in drug trafficking, and drug traffickers are supported by the rebels; therefore, we could almost say we are talking about the same thing. What is clear, however, is that the action can be linked to the rebels based on the characteristics of the mortars and explosives that were going to be used and what we have discovered. This is one of the tactics subversive groups have traditionally used, and the weapons are of the kind rebels usually fabricate.

[Arizmendi] Changing the subject, the night of 23 February, around 2330, when we interviewed you after you and the members of the high command met with the president at Narino Palace, you said that General Zuniga Chaparro surely would decide during the weekend whether he will remain as general commander of the military forces. He has already apparently made a decision of which he has informed some of his main assistants. Do you know what that decision is?

[Esguerra] I plan on meeting with Zuniga today to discuss that matter.

[Arizmendi] It looks like his definite decision, which is respectable, as the chief of state and yourself have said, is to leave the Colombian military forces.

[Esguerra] In that case, we would have to see how we would handle that matter, but I do not want to analyze that issue with the president until General Zuniga makes a decision, because we cannot commit ourselves to a decision of that nature. We will act accordingly once there is a decision.

[Arizmendi] At what time will you meet with General Zuniga?

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[Esguerra] At 0900, as soon as I conclude my classes at the university.

[Arizmendi] This means that we should know by 1000 whether he will be staying or will be leaving the military forces?

[Esguerra] Very probably.

[Arizmendi] Would we know who his successor will be?

[Esguerra] We will have to wait and see. It is possible.

[Arizmendi] Would the Army accept an Armed Forces commander from a branch other than the Army?

[Esguerra] When we speak of the national Army as when we speak of other forces, we are talking about military people, soldiers, professionals who accept decisions that are in line with the Constitution, laws, and regulations. We are going to see what happens.

[Arizmendi] The idea is to make appointments based on seniority; based on this point, who would replace General Zuniga?

[Esguerra] If we talk about seniority, the next man in line is Admiral Holden Delgado. General Bedoya follows Delgado.

[Arizmendi] Isn't General Niebles above Admiral Delgado?

[Esguerra] Bedoya has more seniority than Niebles.

[Arizmendi] If Delgado is not the successor, would the successor be Bedoya?

[Esguerra] On a seniority basis, yes.

[Arizmendi] Could Admiral Delgado go to the foreign service?

[Esguerra] This possibility would have to be seen and analyzed, because many things are possible, and many situations could be created, and this is why I prefer to wait for events to happen rather than add to the speculation that has been taking place in recent days in the media and in many places. This would be like fabricating military leaderships. Let us wait.

[Arizmendi] Zuniga said Friday that only personal matters would spur him to withdraw from his high position. Are these personal reasons known already?

[Esguerra] I have talked with him about this matter on several occasions. He has spoken also with the president and has talked to us about these personal reasons, and the nature of these reasons obligates me as a gentleman to keep them confidential.

[Sarmiento] There has been a report about an alleged annoyance over your work as the head of the ministry. Could this be something that annoys General Zuniga?

[Esguerra] He has never said anything to me in this regard. Never.

[Arizmendi] Mr. Minister.... [pauses] I almost called you general [laughs]. Why would General Zuniga leave, and why are you virtually saying he will leave before the decision becomes known officially?

[Esguerra] I am not admitting that he is leaving. You are asking based on a hypothesis, and I am just responding based on that hypothesis. I am just placing myself within the framework of the hypothesis, of what attorneys call suppositions, but as long as a supposed event does not take place, nothing said in that regard is true.

[Arizmendi] How have your relations with General Zuniga and General Bedoya been?

[Esguerra] Our relations, both professional and personal, with both have been excellent. We have had harmonious working relations; they have been effortless and perfectly fluid. They have cooperated with me from the very day I arrived at the ministry. They have been very kind and cordial. Our work has been done in a totally harmonious and coordinated manner. I have no complaint, only satisfaction and gratitude.

[Sarmiento] What about the rumor that the country's crisis may have a solution based on the use of force?

[Esguerra] I think this is just speculation that has no basis or support at all. The democratic and institutional disposition of our military forces has been demonstrated over and over, and I have no doubt about it. Sometimes there are speculations.

A newscast was reporting night before last that a general was asking another general whether the 5th Division was going to be quartered. All these rumors are without foundation and do not correspond to the truth at all, something which the military leadership has reiterated on many occasions. Whatever happens in the country and whatever solution is sought for the situation we are enduring, this is a solution that must be institutional, and only institutional solutions would have the support and backing of the Armed Forces.

[Arizmendi] This means this alleged dialogue reported by the [words indistinct] newscast between General Niebles and General Zuniga about the quartering or not of the 5th Division did not take place with you?

[Esguerra] It did not, and I was present throughout the meeting. I was present throughout the meeting between the high command and the president, except for a brief

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moment when the president and General Zuniga were alone, but General Niebles was not there, so the alleged dialogue could not have taken place.

[Arizmendi] Why did they meet alone, leaving you out?

[Esguerra] Because they wanted to continue a conversation they had held earlier in the week in conditions more or less similar to those in which General Zuniga and I had met, I suppose.

[Arizmendi] I want to tell you that you must be ready to find a replacement for General Zuniga. Caracol has confirmed that the general will ask you in the meeting you will have with him after 0900 to accept his resignation, that he will formally request it.

[Esguerra] Fine. Thank you for the news.

[Montoya] I want to change the subject, Mr. Minister. A couple of days ago we learned that the children of Jose Santacruz Londono have charged that the Colombian authorities are harassing them. His daughter says she has been harassed as a result of the search for Santacruz Londono. This has also been reported in Miami. What do you have on that issue and on that kind of operation?

[Esguerra] We have been informed of these charges. I have tried to establish what their bases are. What we have is that the military and police forces tasked with recapturing Santacruz Londono are working on that and are doing so by checking on the sites, the people, and the contacts closer to Santacruz Londono where one could think he could seek refuge.

He has been sought in his home, near his children, his family and his friends; this is only natural. I have not been told of harassments in terms of abuses or excesses committed by the police or the Army; this is not what is happening. True, military and police operations may upset the members of the Santacruz Londono family who may feel they are being trailed too closely; we regret this, but it is not our fault.

They must understand that we are obligated to capture Santacruz Londono and that if this brings trouble to the family, it is he who should not have carried out the activities to which he dedicated himself for a long time. It is he and not us who could have taken the necessary precautions so the family would not have to endure the aggravation they are probably enduring, but this is nothing more than aggravation, because, as I have said, there has been no abuse. I am certain. We have reiterated our orders to keep it this way.

Operations and raids have been accomplished within the framework of the institutions and the law and have demonstrated full respect for the rights of the people. We know this is causing annoyance and irritation, something which is understandable but also inevitable.

Colombia: Governors Discuss Proposal on Foreign Troops

PA2402033496 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 20 Feb 96

[Report by Anna Fernanda Valderrrama from Narino Palace; from the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 1830 GMT 20 February; speakers identified by caption]

[FBIS Translated Text] [Valderrama] Another red-hot topic at the Governors' Summit was Antioquia Department Governor Alvaro Uribe's proposal to bring foreign troops to Uraba to consolidate peace in that region. Although many sectors have rejected this proposal the governor said he will defend it at all costs.

Governor Uribe arrived in the palace to participate in the summit determined to defend his position:

[Begin Uribe recording] I must continue to create interest in this issue. I will certainly not yield because there is some criticism, which is normal in these situations. [end recording]

[Valderrama] The governor maintains this stand despite the opposition of the military and of the ministers of defense and of the interior. He claims that the foreign troops will be able to work with the Colombian Army:

[Begin Uribe recording] They would support the Colombian Army or public force in its task of protecting the civilian population. [end recording]

[Valderrrama] Uribe has a few allies such as the governor of Norte de Santander Department. The governors of Cesar, Cauca, and Valle del Cauca Departments, however, strongly reject the arrival of the Blue Helmets.

[Begin recording] [Cesar Department Governor Mauricio Pimiento] Here there is no difference between a Blue Helmet and a Colombian soldier; either will be disrespected and we will be the victims of violence promoted by those who insist on causing destabilization through forceful means.

[Cauca Department Governor Rodrigo Ceron] We are happy with what we have; we need no international observers and much less troops of any kind. [end recording]

[Valderrama] According to Uribe, most mayors of Uraba believe that international troops could help consolidate peace in their region.

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Attention, Gov. Uribe's struggle is yielding its first results. Minutes ago he met with the president of the Republic who committed himself to study the proposal to bring foreign troops to the Uraba region.

Colombia: Government Replies to FARC on Crisis

PA2402033396 Santa Fe de Bogota EL TIEMPO in Spanish 20 Feb 96

[FBIS Translated Text] The government yesterday answered a communique that the FARC [Revolutionary Armed Forces of Colombia] distributed at the San Jose Summit (Costa Rica) on Friday. The government's communique stated that the political crisis is not a valid argument to use as a condition for peace talks.

"If we must wait for an administration considered as 'legitimate' by the guerrilla in order to sit down and negotiate, there will simply never be talks in Colombia," Peace Office Coordinator Daniel Garcia-Pena stated. Garcia-Pena explained his point: "It should not surprise us that the guerrilla views the administration as 'illegitimate' or 'corrupt' and 'unfair.' They took up arms decades ago because they viewed past administrations alike. It would have made headlines had they said otherwise."

In the communique they sent to Costa Rica, the FARC assured that the crisis created by the "narcoscandal" hurts the possibilities of renewing the peace talks.

A report on that communique, which was 'bounced' back to Colombia by the EFE press agency, agrees with a report published yesterday on another communique that the same rebel group signed on 11 February.

In the latter, the FARC asked the president to resign and assured that the Samper-De la Calle mandate "is illegitimate."

In this communique, the FARC's Secretariat calls for "a meeting between Colombians, with all sectors of the country represented, including the rebels, and fully guaranteed by the government."

The FARC depicts the country's crisis in a crude manner. In the 11 February communique that received nationwide distribution, they said that corruption is an insult to Colombian society.

"For a long time, corruption has been eating away at important sectors of our national life, such as the Presidency, the ministries, parliament, the military forces and Police, the courts, the prison system, the elections, industry, commerce, land ownership, advertising, sports, municipal and departmental administration, and the traditional political parties," the communique stated.

The FARC communique coincides with remarks by Army Commander General Carlos Bedoya, who said that the FARC had moved on from being a guerrilla to becoming a cartel with Cali drug mafia connections.

Garcia-Pena did not make any comments in this regard. Instead, he pointed out that "precisely because of the existing profound differences that pertain to an armed conflict, we should insist on a political solution to it."

Finally, he said it is not a matter of mutually questioning the legitimacy of each side because this country is undergoing precisely a generalized crisis of legitimacy and representativeness.

Colombia: Strength of Case Against Samper Discussed

96SM0116A Santa Fe de Bogota SEMANA in Spanish 20 Feb 96 pp 26-32

[Unattributed article: "Will It Bring Him Down?"]

[FBIS Translated Text] The prosecutor general took everyone by surprise. After scheduling the formal complaint against the president for Tuesday, he disillusioned many by leaving the impression that he was delaying the matter. Suddenly on Wednesday, without having informed anyone and without holding a press conference or making any announcement whatever, he went at 1800 hours to the Commission on Accusations, where he delivered to the secretary of the commission, Jose Manuel Delgado, a 44-page document together with an appendix of 900 additional pages and a video with several recordings. His only commentary at that historic moment was, as he requested a receipt: "I do hope that this will keep them busy."

During the coming months the nation's attention will be centered on the contents of this file. The inevitable question is: "Will it bring down the president? Despite the fact that the nation was talking about nothing else last week, no one has been able so far to give a conclusive answer.

To begin with, no one other than the lawyers has had access either to the 944 pages of the file or to the video. Everything that has been said to date is mere speculation. What is indeed known, however, are the instances of conduct that the Prosecutor General's Office describes as possible bases for determining the commission of crimes. Under the electoral law these instances constituted fraud and would involve the crimes of procedural fraud, falsification of private documents, illegal enrichment, and complicity.

All of the foregoing crimes entail imprisonment ranging from two to 10 years. This means that if the president's case reaches the Supreme Court, not only will his place in history, his office, and his honor be at risk but he could also wind up in prison for several years.

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In practice, the president is being accused of two acts that are totally independent of each other, one of which involves a narcotics crime—the financing of his campaign with money from the Cali cartel—and the other, a violation of the norms established for the management and control of electoral financing. The origin of the entire Case 8000 scandal was the narcotics crime, which if proven would constitute illegal enrichment and is in fact the moral essence of the case. What undoubtedly angers the public is the thought that the election of the president of the Republic was financed largely with money from organized crime. Although the violation of the legal ceilings—and the obtaining of government funds by means of dishonest bookkeeping—are serious crimes, they would never have unleashed a political storm capable of threatening the stability of Samper's presidency if they had not been associated with the financing of his campaign by the cartel.

Illegal Enrichment

This is the most controversial of the crimes listed in the existing Colombian legislation, and the fate not only of the president but of all persons accused in Case 8000 depends on its interpretation. The law against illegal enrichment is a Draconian norm designed to combat the criminal organizations spawned by the narcotics traffic, and for that reason has a margin of arbitrariness that other norms do not have. This anti-organized crime law was enacted—in the form of a state-of-siege decree—in the atmosphere of national anxiety that prevailed on the day Luis Carlos Galan was assassinated. Speedy, pragmatic, and effective measures were needed to cope with the terrorist assault—measures that would facilitate the speedy incarceration of those who were murdering candidates, flying planes, and planting bombs in supermarkets. Conventional legislation was completely powerless to cope with the dilemma posed by the bullets-or-money alternative that the narcotics terrorists were offering. That is why the legal minutiae normally contemplated by criminal law had to be set aside during a national emergency of such gravity. Basically, the objective was to find a mechanism to legitimate the arbitrary action that had been inspired by a collective sentiment of justifiable self-defense.

In 1991 this illegal enrichment law was converted into permanent legislation by the Congresito [mini-congress] that followed the Constitutional Assembly. The new law read as follows: "Those who directly—or through an intermediary—obtain for themselves, or for others, an unjustified increment to their assets that derives, in one form or another, from illegal activities shall be liable—for this sole reason—to a term of imprisonment of from five to 10 years, and to a fine equivalent to the value of the illegal enrichment that was obtained." What these words mean in real life is that if the source of the money is the narcotics traffic, everyone who has become involved along the way could wind up in prison. Inasmuch as the norm was designed for an environment in which hiding fortunes and employing fronts are the rule, exceptional mechanisms were deemed necessary. Specifically, it was decided to ignore the golden rule of law—the presumption of innocence—which was replaced by the presumption of guilt. Normally, when someone is accused of something, the state is obliged to prove that person's guilt. In an illegal enrichment case the burden of proof is reversed, and the accused persons must prove their innocence: that is to say, by establishing that the assets they possess were acquired legally.

But what does all this have to do with the president of the Republic? Nobody has accused him of stealing so much as one peso. The accusations made against him relate to political corruption, not personal corruption. He is accused of the crime of illegal enrichment simply because it embraces everything that shows up along the trail of narcotics money, and his campaign has shown up in the middle of that road. The concept is that if it is a crime to buy a mansion, a yacht, or a plane with narcotics money, it is also a crime to buy the Presidency of the Republic.

This interpretation has required considerable legal juggling. It was necessary to import an Italian theory which holds that a person can enrich himself not only by increasing his assets but also by increasing his status. Under this concept, the candidate's associates have been accused of the illegal enrichment of third parties, which was originally designated as a crime as a means of combating the use of individuals [personas naturales] as fronts. In Case 8000, this crime was defined more broadly and made applicable to a corporate body [personas juridicas] and also to presidential campaigns. All of these are rather bold interpretations, however. Inasmuch as the crime of illegal financing of election campaigns was not clearly defined, an effort was made to find the crimes that were most comparable, and the crime of illegal enrichment was adapted for that purpose. From a legal standpoint, this broadening of the scope of a law is not completely orthodox. In criminal law, there are no crimes by assimilation or by interpretation. Nonetheless, because these were emergency measures to combat the narcotics traffic, it was never considered to be of priority importance to linger over legal subtleties. The Supreme Court itself shared this attitude with respect to one of the sensitive points in the law, namely the identification of money as illegal.

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As to whether the money of narcotics traffickers can be considered "illegal" before the accused have been convicted, the Criminal Division of the Court—in its decisions ordering the arrest of four members of Congress for illegal enrichment—has supported the pragmatic solution to the effect that a prior conviction is not necessary. Moreover, in a ruling to be announced next Tuesday concerning the practicality of the Statutory Law of Justice, the Constitutional Court also supports this interpretation. To consider that a quantity of money is illegal without the prior conviction of its owners is, from a legal standpoint, like stepping into quicksand. With the support of the Supreme Court and Constitutional Court, however, the quicksand becomes terra firma.

The crime of illegal enrichment is also unique in that it falls within the jurisdiction of faceless judges. This is another exceptional mechanism whereby persons accused of crimes related to narcotics terrorism are investigated and judged by persons whose identity is protected. When a crime falls within this category, the individual is taken into custody—without any possibility of release—at the time the investigation is begun. In other words, the accused person is put in prison on mere suspicion and without even having been charged and cannot leave until a definitive ruling of acquittal. That is why Fernando Botero is in prison without having been formally accused or brought to trial. Because the president enjoys a special privilege, however, he is judged by the Supreme Court and is not subject to this procedure.

All of the foregoing enables us to discern a rather unusual scene, in which the president of a nation is being judged under the anti-organized crime law. How did such an aberration come to pass? The answer is very simple: he allowed his election to be financed by the organized crime of that nation. As a result, a law that was designed to judge Pablo Escobar, La Quica, El Mugre, La Garra, Pasarela, and Icopor wound up being used to judge Ernesto Samper, Fernando Botero, Eduardo Mestre, Juan Manuel Avella, Santiago Medina, and all those who may follow.

As things appear today, it is not impossible that Ernesto Samper will be able to neutralize the accusation of illegal enrichment. The many arbitrary elements contained in the norm can be applied more easily to an organized crime boss than to a president. Samper has in his favor the fact that he is not accused of having personally kept a single centavo. He is also favored by the circumstance that there is as yet no proof that he personally arranged for the delivery of these funds. To convict a president of such a serious crime requires that his guilt be established with total clarity. Although a great deal of evidence points to him, that total clarity does not yet exist in Samper's case. It is therefore conceivable that either the Commission on Accusations will drop the case before sending it to a plenary session of the Chamber of Deputies, or the Chamber will decide that the case does not have sufficient merit to embody it in a bill to impeach the president.

Electoral Fraud

The accusation of procedural fraud and falsity in private documents relates to the violation of the ceilings that were authorized by the law governing election campaigns. As is known, Samper's campaign used fraudulent bookkeeping to conceal spending that exceeded the ceilings. Based on these adulterated balances, it solicited and obtained 1.8 billion pesos from the public treasury as replacement for campaign expenses. This would by itself constitute a serious crime even if it had not been caught up in in the hurricane of Case 8000.

Public financing of presidential campaigns is a method that had been tried out for the 1994 elections. The bookkeeping of an election campaign had previously been a virtually private operation by means of which the campaign managers controlled the spending; the government played no major role. As a result, the Colombian tradition was not very strict in these matters.

In 1994, a legal ceiling of 4 billion pesos was created as a prerequisite for entitlement to financial reimbursement by the government based on the number of votes obtained. The campaign of Andres Pastrana as well as that of Ernesto Samper cost much more than the ceiling, and both campaigns had a hard time contriving artifices in order to fulfill the requirements of the law. The clever devices of the Pastrana campaign were much subtler than those of the Liberal campaign. The Conservative campaign used creative bookkeeping to exceed the ceilings without automatically violating the electoral law, and it is possible that the Electoral Council may validate the Conservative interpretation of the ceilings.

In contrast, the case of the Samper campaign was a disaster. To exceed the limit by 2 or 3 billion pesos could have been managed, as in Pastrana's case; but exceeding it by 10 million pesos or more makes it impossible not to have committed a flagrant violation of the law. It is therefore a fact that the crime of procedural fraud is clearly configured in the Liberal campaign.

The legal question consists of establishing who committed that crime. The books of account were signed by Juan Manuel Avella, who is unanimously viewed as the scapegoat of the entire episode. Avella's superior was Fernando Botero, who has already acknowledged his responsibility for the adulteration even though he did not sign any of the documents. Botero's superior, who was

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also the beneficiary of all these violations of the law, was the candidate Ernesto Samper Pizano.

Article 109 of the Constitution establishes that the candidates must render a public accounting of the volume, origin, and destination of the funds they receive. This means that the political responsibility for the electoral financing falls directly upon the aspirants to the Presidency. There is a difference, however, between political responsibility and criminal responsibility. The latter is an individual responsibility and is not transferable. The superior of someone who commits a crime cannot be held criminally responsible unless it is established that he or she had knowledge of the crime or was the intellectual author of the crime.

The situation of Ernesto Samper in this respect is as follows: Fernando Botero, Santiago Medina, and a third witness maintain that as a candidate, Samper participated in the important financial decisions. The president, on the other hand, insists that his participation in all these episodes was more symbolic than real, inasmuch as money management has never been either his strong point or his interest. Both sides are correct in this regard, and both have arguments in their own defense. The fact that Samper presided over all the meetings of the finance committee has particular significance. Accompanied by Botero, he also visited the top executives of the great financial groups to ask them for money—an action that demonstrated a measure of direct participation.

Everyone who knows Samper, however, knows that his indifference toward financial minutiae was genuine, although he was duty bound to lend his presence in behalf of the cause. What remains to be established is whether the violation of certain ceilings by 10 billion pesos, and the request for government financing in the amount of 1.8 billion, are minutiae or whether they are the elephant in the house to which Monsignor Pedro Rubiano made reference. Logic would indicate that even though a candidate is not interested in financial aspects, his subordinates would not dare to commit any crimes without at least informing him of the fact.

One argument that will be used by the president to defend himself against this accusation is the fact that during the campaign the norm had not been published in the official journal. According to some traditional legal criteria, until a law is published it does not exist and therefore cannot be violated. This interpretation, however, is not automatic and will be difficult to sell. A legal precedent can be found in cases where the norm in question has been applied even though the law had not been published. This depends on many factors, such as when the law itself says it takes effect, or whether the law was published in the newspapers, or whether there is evidence that its existence was known. Inasmuch as the reimbursement was a right to which only the presidential candidates were entitled, it is not difficult to demonstrate that if the documents required to obtain it for their campaigns were in fact filled out, the candidates must have known of the existence of the law.

In any event, Ernesto Samper's situation in connection with this crime is a difficult one. In normal circumstances, the violation of some legal ceilings would never have been sufficient to justify speculation concerning the possible fall of a president. Now that it has become part of the overall scandal, however, that possibility cannot be ruled out completely. The rationale would be that if the complex of accusations against Ernesto Samper merits his withdrawl from the Presidency, a crime that does not involve narcotics allows for a more dignified exit than one that does.

The analogy always invoked in these cases is the fact that the only way they were able to put the legendary U.S. mafioso Al Capone in prison was to convict him of tax evasion.

Cover-Up

In Ernesto Samper's case, the Prosecutor General's Office has given two dimensions to the concept of cover-up: one legal and the other political. The legal dimension relates to the crime of "aiding and abetting," which occurs when someone knows of the commission of a crime and helps those who committed it to conceal it or impede the investigation. As is logical, one's own crimes cannot be covered up, only the crimes of others. The Prosecutor General's office postulates this crime of "aiding and abetting" in anticipation of the possibility that if the president is exonerated from the accusation of illegal enrichment or even of procedural fraud, he could still be tried for helping his subordinates conceal their criminal activities.

In other words, because there has been so much discussion as to whether the president "knew or did not know" of the receipt of money from the Rodriguez brothers during his campaign, there is the possibility that even though he may not know it, Samper could be accused either for what he did—or failed to do—when he learned of the contribution. The accusation, however, does not necessarily have to be a criminal charge. Since it is obvious that during the first year of the Samper administration many attempts were made to keep the lid on the scandal, it is possible to prove that the participation of Ernesto Samper in these activities is unworthy of a president even if they do not border on criminal conduct. Society has ethical and moral precepts

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to which a nation's chief executive should adhere even if it is not always illegal to violate them.

This is obviously a very subjective area, because to date there has been no official act that would prove the existence of a cover-up on the part of the president. There are rumors concerning meetings, pressures, cajolery, the distribution of government benefits, and so on and on.... It is not easy, however, to establish legally the difference between listening and conspiring or between patronage and bribery.

What is clear is that by imparting a noncriminal dimension to a cover-up, the Prosecutor General's Office wants to leave the Congress and the president a political way out whereby the chief executive could be exonerated from all charges brought against him although he could still be convicted politically. After all, if anything is obvious in the entire Case 8000, it is that the president at least has a political responsibility that he must assume—a responsibility concerning matters so serious that one cannot rule out the possibility that they could ultimately result in his departure from the Presidency.

Inasmuch as in the present situation both the political and the legal aspects are intermingled, there will be a great deal of struggle and negotiation behind the scenes before a verdict is reached. Ernesto Samper is facing a rather complex dilemma. It will be very difficult for him to escape unscathed simultaneously from all the criminal charges and political responsibilities. If things go badly for him, he could leave the Presidency as a criminal. If things go fairly well for him, he could be declared innocent of any crime but unworthy of his office from the standpoint of political responsibility. And if things go well for him, he could be exonerated from everything and become the weakest and most controversial president in the nation's contemporary history.

Colombia: Municipal Leader on Social Program Funding

96SM0117A Santa Fe de Bogota EL TIEMPO in Spanish 26 Feb 96

[Report by correspondent Alvaro Oviedo Castillo — received via Internet]

[FBIS Translated Excerpt] San Andres Islas—The special meeting of the Executive Council of the Colombian Federation of Municipalities [FCM], which convened in San Andres, concluded over the weekend with criticism of the policy on national financing and cofinancing, and the management of the Social Solidarity Network.

The event served as preparation for the summit meeting of the country's mayors, which will take place at the end of September in Villavicencio, according to the organization's chairman, Sergio Naranjo, mayor of Medellin.

The government's representative, Minister Maria Emma Mejia, did not attend the San Andres meeting, as had been announced by the organizers; and, of the 40 members of the Council, only 22 were present.

The Federation's director, Joaquin Valencia Aguilar, noted that, among the main points discussed at the meeting, special emphasis was placed on the issue of administrative decentralization and the political crisis confronting the government.

Valencia declared: "The process is heading toward the government's simply starting to distribute funds to the municipalities as it pleases, to salvage its political situation. It is merely a matter of 'if you please me, I'll give you money.'"

The FCM director added that the Social Solidarity Network "is becoming the president's checkbook, for buying support from the mayors and governors."

As for the effect of the government's political crisis on the management of the municipalities, the high-ranking director maintained that it is depriving them of legitimacy for governing.

Nevertheless, the Federation's chairman, Sergio Naranjo, who was subjected to a preliminary interrogation by the Prosecutor General's Office for presumed illicit enrichment, claimed that these matters have been handled with balance and careful assessment.

Naranjo indicated that there is general consensus among the mayors for defending the institutions, as well as due process, the right to defense, and the presumption of innocence. He observed: "What is required is more intensive work."

Nevertheless, Valencia stressed that there is currently a "capricious policy," because the barrage of the government itself, the governors, and the Congress members against the municipalities still persists. He remarked: "The government tells the mayors to head toward the right, but it poses obstacles for this. And if they head toward the left, it holds them prisoner."

Proposals

Prominent among the proposals made by the mayors who are members of the Consultative Council is the reinforcement of the national financing and cofinancing systems, by resorting to the constitutional tool of the

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international banks, which would be translated into greater competitiveness.

In view of the Solidarity Network's tendency toward "political maneuvering," they recommended that the funds be distributed directly to the territorial entities.

They emphasized that the municipalities are not in a position to assume the public companies' tariff deficit, the payment term for which expires on 11 July of this year. Nor can they assume the salary increase for teachers negotiated between the Fecode [Colombian Federation of Educators] and the national government, or the provision for the subsidized health care system. [passage omitted]

Colombia: Military's 'Full Support' for Samper Noted

96SM0118A Santa Fe de Bogota EL TIEMPO in Spanish 26 Feb 96

[Editorial: "Without Crisis" — received via Internet]

[FBIS Translated Text] The rumors of a crisis in the Armed Forces have been promptly and cordially dispelled. There were talks between the commands and the government, with differences over budgetary matters that rightfully concern not only the Armed Forces, but the rest of the country as well, which wants to see those forces purged and solidly prepared in their field of activity. Hence, the feelings and possible disagreements aroused, not only among the military but also among the public, by the cutback in funds allocated to reinforce the effectiveness of the Armed Forces' action, were brought to the meeting that has already been discussed. It was the logical course of action.

But certain press headlines attempted to depict motives based on the generals' displeasure with the defense minister. There was no such thing. Relations remain normal, and the high commands' full support for the president, the government, and the defense minister has cleared up any ambiguity. The fact that there may be retirements is inevitable: it is a natural step. High-level military officers have devoted their lives to the difficult, very difficult task of putting an end to the outlaws and the armed rebels, while cooperating in the antidrug battle, which the present government has waged so successfully.

How many times have we spoken about the just, meritorious task performed by the Armed Forces? And how many times have we noted how far we are from the sound of rattling sabres or the possibilities of a coup? The top military echelon, consisting of prestigious generals with strict training, respectful of democracy from top to bottom, is ready to come out in defense of the institutions. Therefore, the crisis that was predicted passed without anything abnormal happening. On the contrary, there was a reinforcement of support for the authorities, from the president of the republic on down.

Colombia: DAS Explains Detention of Botero Associate

96P20303A Santa Fe de Bogota EL TIEMPO in Spanish 27 Feb 96

[Received via Internet]

[FBIS Translated Text] The director of the DAS [Administrative Department of Security] said yesterday that he would inform the Prosecutor General's Office about the documents seized from Ana Lisa Mir, the associate of former minister Fernando Botero who was detained at the Eldorado airport on Sunday.

Marco Tulio Gutierrez said at a press conference that the documents found in Mir's possession seriously compromised the security of the State.

For his part, Botero rejected Gutierrez' statements. He said that none of the documents Mir was carrying to the United States compromised the security of Colombian institutions, and that they only contained portions of his confession and defense in the case involving the entrance of mafia money into Samper's campaign.

Meanwhile, the former minister's lawyer, Fernando Londono Hoyos, described the seizure of the documents as "grotesque."

"It strikes me as grotesque. I feel as though I have returned to the darkest moments of the State Police of Hitler or Mussolini. To have the DAS inspecting foreigners or Colombian citizens to see what documents they are carrying and whether or not those documents threaten national security, gives one the feeling, as I said, of being back in the darkest moments of the history of humanity," he said.

The defense lawyer said two questions need to be asked regarding the actions by the DAS. "Was she, or was she not, carrying documents which threatened national security? If she was, she should not have been allowed to leave the country, and she should be subject to a criminal trial. If she was not, what we have is an abuse on the part of the director of the DAS who we now know gave the order for this journalist to be pursued in the manner in which she was pursued."

Gutierrez said he hopes that the Prosecutor General will defend sovereignty and Colombian institutions.

Among the information which the government says it intends to turn over to the Prosecutor General's Office concerns background information about Mir.

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According to the information in the government's possession, Mir worked at the Panamanian Embassy in the United States and participated in demonstrations against Panamanian General Manuel Antonio Noriega, and against Nicaraguan General Daniel Ortega [as published].

"She has entered the country on many instances. Once on 16 January, then she returned on the 18th, coming back on the 19th, and returning again on the 26th. She is a very curious tourist," he said.

Gutierrez said that the operation undertaken to confiscate the documents began on Sunday morning after a telephone call.

A phone call was made during the morning hours pointing to Ana Lisa Mir as suspected of questionable behavior," he said.

Mir was then followed to the airport. "There was no abuse of any kind, nothing irregular. The operation was carried out based on the control function which the DAS must fulfill with regard to foreigners who are in the national territory," he said.

He stated that at the time she was detained, Mir demanded the presence of a lawyer. "She was allowed to make a phone call and contacted a lawyer who turned out to be Dr. Fernando Londono Hoyos, defense lawyer of Fernando Botero," he said.

Gutierrez did not deny having obtained copies of the material and explained why, if Mir was "acting against national security," he allowed her to go free.

"We made photocopies of the material and allowed her to go free because, at the time, the persons who were carring out the operation were not in a position to analyze the documents," he said.

The following is the DAS press communique:

The Administrative Department of Security informs the public:

1. Carrying out routine procedures, officials of the Foreign Citizens section of the DAS took action with regard to Panamanian-Spanish citizen Ana Lisa Mir on 25 February of this year.

2. In her statement, Mir demanded the presence of a lawyer. She was allowed to make a phone call and contacted the lawyer who turned out to be Dr. Fernando Londono Hoyos, defense lawyer of Dr. Fernando Botero.

3. During an inspection of her luggage, documents were found which could seriously compromise national security and which clearly showed that Mir was not a tourist as she claimed to be.

4. The DAS will provide the Office of the Prosecutor General with the permanent proceedings.

5. The Administrative Department of Security will continue with the administrative procedures of the Foreign Citizens section as indicated in Decree 2268 of 22 December 1995 concerning Mir's activities.

Ecuador

Ecuador: Defense Ministry Denies DMZ Violation

PY2802153996 Madrid EFE in Spanish
1445 GMT 28 Feb 96

[FBIS Translated Excerpt] Quito, 28 Feb (EFE) — The Ecuadoran Army denied today reports from Lima about an alleged Ecuadoran military incursion in the demilitarized zone [DMZ] at the Peruvian border, near the Peruvian Watch Post No. 1 (PV1) base.

According to information disclosed today by the Latin American Radio Broadcasting Society [Sociedad Latino Americana de Radiodifusion—SOLAR] program which was rebroadcast in Ecuador by Radio Quito, the Peruvian Government reportedly denounced a "new Ecuadoran infiltration."

Peru reportedly denounced "before the Ecuador-Peru Military Observers Mission (MOMEP) a new Ecuadoran infiltration in a demilitarized zone, 10 km northeast of PV1," SOLAR reported.

"That is a sensationalist report. There is absolutely nothing like that," told EFE Colonel Carlos Badillo, press spokesman of the Defense Ministry. He added: "It is not true, we are in complete peace."

Badillo also recalled that General Nicolas Hermoza, chief of the Peruvian Armed Forces Joint Command, is arriving in Ecuador tomorrow.

This is how Badillo pointed out the progress made in the peace process between Ecuador and Peru since 17 February 1995 after the signing of the Itamaraty [Brazilian Foreign Ministry headquarters] Peace Declaration, which prevented the military conflict from 26 January to 28 February 1995 from breaking into total war.

Badillo also recalled that the MOMEP is watching the demilitarized zone and has verified that "we are in complete peace. We would not be capable of provoking something like that because we want total peace."

"So far there is no information," said Badillo who noted that "this type of information (alleged violation of the demilitarized zone) has not even reached Defense Minister General Alfonso Alarcon."

The information disclosed by SOLAR, which says that the MOMEP detected, during a reconnaissance flight

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on 24 February, shelters and even a heliport in the demilitarized zone at the edge of the common border near PV1, takes place at a time when the peace process is making progress. [passage omitted]

Ecuador: Accusations of Violation of DMZ Denied

PY2902005796 Quito Voz de Los Andes in Spanish 2300 GMT 28 Feb 96

[FBIS Translated Text] Ecuador has rejected reports from Lima that Ecuadoran troops have infiltrated the zone in which the two Andean countries engaged in bloody fighting last year.

The accusation by Peruvian military sources states that Ecuadoran soldiers maintain installations, shelters, and a heliport in the Condor Mountains which, if verified, would represent a violation of the Itamaraty [Brazilian Foreign Ministry headquarters] Peace Agreement.

Colonel (Carlos Badillo), Defense Ministry press secretary, said: There is nothing. Absolutely nothing. That is an ill-intended report. Tomorrow, General Nicolas De Bari Hermoza, Peruvian Joint Command chief, will arrive here and we are ready to receive him.

The report was released 48 hours before the meeting between top Ecuadoran and Peruvian military commanders in Quito to discuss the development of the demilitarized zone [DMZ] process in the area of conflict, and measures to strengthen confidence in the military area.

A Defense Ministry source said these accusations by no means affect the meeting between the two military commanders.

Ecuador: Foreign Minister Denies DMZ Violation

PY2902033896 Madrid EFE in Spanish 0026 GMT 29 Feb 96

[FBIS Translated Text] Quito, 28 Feb (EFE) — Ecuadoran Foreign Minister Galo Leoro Franco today denied that his country had violated Peruvian territory in the demilitarized zone [DMZ] the two countries are disputing, as reported by Peruvian journalism sources.

This zone, the PV1 [Watch Post One], is a Peruvian watch post controlled by the Ecuador-Peru Mission of Military Observers (MOMEP), a group to oversee the peace process that comprises military officers from the guarantor countries of the Rio de Janeiro Protocol (Argentina, Brazil, Chile, and the United States), which in 1942 established new border lines between Peru and Ecuador.

These officers are overseeing the fulfillment of the peace agreements signed between Ecuador and Peru on 17 February 1995, in Brazil, after the military conflict between the two countries from 26 January to 28 February last year.

Galo Leoro said that the Peruvian report "is absolutely groundless, because the geography, especially where the PV1 is located," must be observed to realize that this is not possible.

The accusation, carried by Radio Programas del Peru, states that some military installations have been detected 10 km north of PV1, including also some shelters and a heliport, supposedly built by Ecuador.

Ecuadoran Army Commander General Paco Moncayo has called on his fellow citizens not to believe or disseminate rumors because "they thwart the diplomatic task" in the peace negotiations that seek to overcome the territorial conflict between Ecuador and Peru.

"Talks are very important steps to find a solution to conflicts," Gen. Moncayo said, stressing the meetings held on 22 and 23 February between Foreign Minister Galo Leoro and his Peruvian counterpart Francisco Tudela.

The peace process also includes the meetings between the respective heads of the Armed Forces joint commands, Jorge Ortega from Ecuador and Nicolas de Bari Hermoza from Peru, this Friday in Quito and next Monday in Lima.

Commenting on the meeting between the chiefs of the joint commands of the two countries, Leoro said that "we believe that all meetings" are "steps through which better relations and confidence between the two parties are being strengthened and consolidated."

Contacts between the military commanders "strengthen military relations, which are very important when we have experienced something like what happened last year."

Leoro added that "good military and diplomatic relations are of positive importance for the two countries."

Moreover, Brazilian Ambassador to Quito Omar Chofi said that "this is an important moment of relaxation and consolidation of the peace agreements."

The development of negotiations "depends on the two countries. There are meetings scheduled, and I believe we are going to reach the satisfactory pace the negotiations demand," Chofi said.

The Brazilian ambassador added that the four guarantor countries "are always willing to cooperate, and this is the way we have always been acting during the past few meetings. Furthermore, we will continue rendering our support."

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Ecuador: Army Chief Foresees 'Difficult' Talks With Peru

PY2802154296 Madrid EFE in Spanish 0139 GMT 28 Feb 96

[FBIS Translated Text] Quito, 27 Feb (EFE) — Ecuadoran Army Commander General Paco Moncayo today asserted that Ecuador must be prepared for "complex and difficult negotiations with Peru," but warned that his country maintains a "historic" position which it will not renounce easily.

Moncayo said that Ecuador must be prepared for a "complex and difficult negotiation with Peru, because only a mutually satisfactory agreement will end the territorial dispute," although he called for the "prudence" of his fellow countrymen in handling the border conflict with Peru.

Ecuador and Peru have entered a decisive phase of the negotiations in search for a definitive solution to the territorial dispute that has caused frequent military skirmishes and three wars between 1941 and 1996. The last war was waged last year.

Moncayo added that "this country maintains a historic position which it will not renounce easily," and he refused to comment the peace negotiations because "any speculation will not only cause the country moral damage but also affect the peace process which is under way."

Ecuador maintains that the 1942 Rio de Janeiro protocol, that established the new borderline between Peru and Ecuador, is unfeasible and that part of the protocol could not be fulfilled because some geographic sites mentioned in the agreements do not exist.

The Army commander said that negotiations in search for a definite solution to the border disagreement "are very delicate," and asserted that the eventual agreement implies the "capacity the two parties have to yield their own aspiration."

Moncayo termed "coherent" with the peace process the forthcoming meetings between Jorge Ortega and Nicolas de Bari Hermoza, chiefs of the Ecuadoran and Peruvian Armed Forces joint commands, respectively, on 1 March in Quito and three days later in Lima.

The mentioned meetings sponsored by Argentina, Brazil, Chile, and the United States, called the guarantor countries because they witnessed the signing of the Rio de Janeiro Protocol, and in 1995 prevented the Ecuadoran-Peruvian military confrontation from becoming an all-out war.

These four countries maintain a mission of military officers in the border zone in conflict between Ecuador and Peru to supervise the fulfillment of the peace agreements signed on 17 February 1995 between the two countries.

Moncayo asserted: "I commend General De Bari Hermoza's (upcoming) presence in Quito and wish General Ortega success in Lima."

He added that the Armed Forces will uphold the cabinet's foreign policy as well as the Ecuadoran peoples' aspirations, because "the governments, not the armed institution, make decisions regarding political issues, and we must uphold them."

Ecuador and Peru engaged in a war between 26 January and 28 February 1995 in the inhospitable Amazon region, 350 km south of Quito, due to border disputes over a 78 km-long portion of land that lacks landmarks.

Paraguay

Paraguay: Colorado Reconciliation Group Cancels Rallies

PY2602170996 Asuncion ABC COLOR in Spanish 26 Feb 96 p 6

[FBIS Translated Text] Asuncion and outer suburbs were quiet on Sunday, 25 February. The mobilizations, protest rallies, and blocking of roads that leaders from the Colorado Reconciliation Movement announced failed to materialize. While scouting around Asuncion and neighboring towns, ABC COLOR reporters failed to detect any unusual movements over the weekend.

At the headquarters of the National Republican Association [Colorado Party], a group of five policemen kept guard from some benches, some even took a nap given the inviting calm atmosphere that reigned. Others chose to read newspapers. One policemen told our reporters that he had no information whatsoever of a possible occupation of the party headquarters, as Colorado Reconciliation Movement politicians has threatened to do during the past week. The policemen said the number of policemen on guard was normal and that their superiors had not planned to send any reinforcements in case of a possible demonstration.

It was reported at the Colorado Reconciliation Movement office in the town of Fernando de la Mora that plans to block Eusebio Ayala and Madame Lynch avenues had been suspended at the very last minute because that Colorado Party faction allegedly decided to organize a multitudinous protest rally in the forthcoming days. This is one of the alternatives the leaders of that faction are analyzing.

Jose Alberto Planas, a member of the Colorado Reconciliation Movement executive committee, reported that

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there might not be any demonstrations in Asuncion in the forthcoming days.

The Colorado Party was to have elected its authorities on 25 February, but the Asuncion Electoral Board issued a ruling suspending the elections until after all the actions filed by the different Colorado Party factions are settled.

This prompted the reaction of the Colorado Reconciliation Movement led by Luis Maria Argana, who threatened to mobilize his supporters to stage demonstrations on election day, 25 February. Still, these threats came to nothing, at least, in the capital, probably on account of an express order of the leaders of this Colorado Party faction. This notwithstanding, other protest rallies may be staged in the near future.

Paraguay: Argana Faction Followers Close Highways

PY2602181796 Asuncion ABC COLOR in Spanish 26 Feb 96 p 7

[Reports by Martin Bogado from Alto Parana and Oscar Hugo Cano from Misiones]

[FBIS Translated Excerpt] Juan Leon Mallorquin, Alto Parana Department — Colorado Reconciliation Movement (Arganaists) [from its leader Luis Maria Argana] followers at noon yesterday closed Highway 7 "Gaspar Rodriguez de Francia" at Km 69, near the crossroad called Potrero Jardin, for an hour amidst cheers for former dictator Alfredo Stroessner and criticism of President Juan Carlos Wasmosy.

Nearly 700 people, using tractors, trucks, and automobiles participated in the closing of the highway. Representatives from the towns of Juan E. O'Leary, Yguazu, and Minga Guazu participated in the demonstration that was headed by Senator Pedro Pablo Ovelar, a candidate to preside the local Colorado Party precinct.

Traffic was not seriously disrupted because there was a detour that could be taken by those who wanted to continue their trip.

Some 30 policemen headed by Superintendent Isacio Aguilar controlled the Arganaist demonstration that started at 1200. Superintendent Principal Valerio Figueredo, head of the departmental police department, appeared with reinforcement an hour later and talked with the demonstration leaders, who cleared the highway.

During the time the road was closed several speakers addressed the crowd amidst repeated cheers for former dictator Stroessner. [passage omitted]

Colorados Demonstrate in Caaguazu

Argana's followers in Caaguazu yesterday partially closed, for about half an hour, Highway 7 "Gaspar Rodriguez de Francia" in a place known as Toro Blanco. The demonstration was peaceful and was closely watched by the departmental police.

A Caaguazu precinct police report states that Colorado Reconciliation Movement followers organized the demonstration in vehicles in downtown Caaguazu and then drove to the place known as Toro Blanco where they partially closed the road for 30 minutes.

No acts of violence or repression were registered and the demonstration to protest the suspension of the Colorado Party internal election ended without incidents. The police reported that about 250 people in 40 vehicles participated in the demonstration.

In San Ignacio

San Ignacio, Misiones — About 1,500 followers of the Colorado Reconciliation Movement demonstrated for about 45 minutes and blockaded Highway 1 in the area of San Antonio, in this city. The demonstrators demanded respect for their right to vote.

The Arganaists blockaded Highway "Marshal Francisco S. Lopez" in front of a small group of watchful policemen who, because of their small numbers, could not clear the road.

Peru

Peru: Envoy Confirms Samper To Attend Andean Summit

PY2902140396 Madrid EFE in Spanish 1939 GMT 28 Feb 96

[FBIS Translated Text] Lima, 28 Feb (EFE) — Colombian Ambassador to Peru Rafael Ariza today confirmed that Colombian President Ernesto Samper will attend the Eighth Andean Presidential Council Meeting on 8-10 March in Trujillo.

Ariza said the presence of the Colombian chief of state confirms the spirit of unity that inspires his country regarding the other member countries of the Andean Pact (Ecuador, Venezuela, Bolivia, and Peru).

Samper's visit to Peru comes when his government is experiencing a serious crisis over enquiries into the financing of his electoral campaign with drug money.

The ambassador asserted that the meeting is a good opportunity to join efforts and strengthen the Andean Pact, founded 25 years ago, and to continue to promote

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the development of its member countries." [no opening quotation marks as received]

Ariza emphasized: "I hope some mechanisms to make it more agile will be adopted and that certain commitments regarding the political will of the Andean countries will be defined."

Ariza made these comments after dedicating Colombia Square, in San Isidro District in Lima, to commemorate the Nueva Granada (currently Colombia) viceroyalty and Peru's struggle to become independent and the consolidation of Latin American freedom.

Peru: Troop Reduction at Ecuadoran Border Ends 26 Feb

PY2802145196 Madrid EFE in Spanish 1832 GMT 27 Feb 96

[FBIS Translated Excerpt] Lima, 27 Feb (EFE) — On 26 February, Peru completed the reduction of its troops to 60 men at watch post No. 2 (PV2) on the border with Ecuador, in compliance with the agreement reached with the neighboring country.

The departure from PV2 of 390 Peruvian soldiers, of a total 450 who were stationed there, took place between 24 and 26 February, according to information disclosed by military sources in Lima today. [passage omitted]

The troops demobilized from PV2 by the Peruvian Army were taken to Bagua, in the jungle, where the Peruvian command was headquartered during the undeclared war waged by Peru and Ecuador due to border disagreements between 26 January and 28 February 1995.

The size of the troops were reduced two days before the first anniversary of the end of the war, with the signing on 28 February 1995 of the Montevideo Declaration, ratifying the Itamaraty (Brazilian Foreign Ministry headquarters) Peace Declaration signed on 17 February which put an end to hostilities. [passage omitted]

According to the Peruvian military sources, Brazilian General Francisco Albuquerque, MOMEP [Ecuador-Peru Military Observers Mission] coordinator, was notified about the conclusion of the operation to reduce the Peruvian forces at PV2. [passage omitted]

Peru: Ecuadoran Military Base Discovered in DMZ

PY2802152696 Madrid EFE in Spanish 1437 GMT 28 Feb 96

[FBIS Translated Text] Lima, 28 Feb (EFE) — According to sources of the Ecuador-Peru Military Observers Mission (MOMEP II) headquartered in Patuca, the Ecuadoran Armed Forces violated the demilitarized zone [DMZ] on the border with Peru where they have established military bases.

The MOMEP II detected, during a reconnaissance flight on 24 February installations, shelters, and even a heliport inside the demilitarized zone and on the edge of the border with Peru, approximately 10 km northeast of watch post No. 1 (PV1).

The two sectors where the construction of shelters, casemates, and other Ecuadoran military facilities were detected are in a zone located 30 km towards the border from the Ecuadoran garrison called Gualaquiza.

Ecuador, according to the MOMEP sources, has violated Points 2 and 3 of the Itamaraty [Brazilian Foreign Ministry headquarters] Peace Declaration, referring to the separation of forces and demobilization of troops in the area where the war between Peru and Ecuador war was waged between 26 January and 28 February 1995, and which is currently under the MOMEP's supervision.

According to the Itamaraty Declaration, 50 Ecuadoran soldiers should be stationed in the Coangos Watch Post and another 50 Peruvian soldiers in PV1.

During a meeting held by the foreign ministers of Peru and Ecuador on 23 February in Quito, Peru offered to withdraw 390 soldiers from Watch Post No. 2 (PV2), of the 450 that were there. This agreement was fulfilled on 26 February.

In order to increase the climate of confidence, the foreign ministers reached an agreement by which Ecuador would make public its list of "subsistent impasses" once Peru reduced to 60 men its troops stationed at PV2 (located outside the demilitarized) and after the MOMEP had been notified.

MOMEP coordinator General Francisco Roberto Albuquerque, together with military representatives of the guarantor countries, went to PV2 on 27 February to verify that there were only 60 Peruvian soldiers left there, in order to issue in Brasilia in the next few days, the report for the guarantor countries.

Peru: Tudela Says Ecuadoran Infiltration Violates DMZ

PY2802225696 Madrid EFE in Spanish 2026 GMT 28 Feb 96

[FBIS Translated Text] Lima, 28 Feb (EFE) — Peruvian Foreign Minister Francisco Tudela today stated that violation of the demilitarized zone [DMZ] by Ecuador jeopardizes the very existence of the zone as agreed in the Itamaraty [Brazilian Foreign Ministry headquarters] Declaration.

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Tudela told Radio Programas del Peru from Brazil that Peru last Tuesday reported that it detected Ecuadoran military installations within the demilitarized zone agreed upon with Peru.

Last Saturday, a reconnaissance flight of the Ecuador-Peru Mission of Military Observers (MOMEP 2) detected installations, shelters, and even a heliport beside the common border, 10 km northwest of Watch Post One (PV1).

Tudela said that in view of this infiltration — which was verified by the MOMEP — "Peru will ask for the total evacuation of all Ecuadoran soldiers from the zone where they have infiltrated. They will also seek the dismantling and destruction of the permanent installations that have been built there."

He said that under International Law — not just the Peace Declaration — installations like this cannot be built in demilitarized zones.

The Peruvian foreign minister said: "This constitutes the most serious violation of the Itamaraty Peace Declaration, because the essence of that declaration was to create a demilitarized zone to prevent future incidents."

He said the violation of a demilitarized zone by one of the parties "jeopardizes, under international law, the very existence of the demilitarized zone."

Tudela added: "We are awaiting the MOMEP verification of this report before taking any further action."

The Peruvian foreign minister said that if the MOMEP confirms the Ecuadoran infiltration, no action will be taken so as to affect the agreements reached in Quito.

During the meeting of foreign ministers, Ecuador proposed that the list of "prevailing impasses" should not be handed over until the withdrawal of Peruvian troops from PV2 was confirmed.

Tudela said Peru argued that its troops were in that place by full right but that "gratuitously, unilaterally, and as a gesture of good will," it would reduce them to 60 men.

He said: "The verification of the 60 men and the immediate delivery of lists of impasses by the guarantor countries will not be affected by this infiltration or any other."

The Peruvian foreign minister reported that the MOMEP has already verified the withdrawal of 390 troops from PV2 and that it only needs to write its report.

Tudela said: "Inevitably and automatically the guarantors will hand over the list of prevailing impasses on Monday or Tuesday. The situation is under control, under complete control."

Tudela is in Brazil as member of the official delegation accompanying President Fujimori on his official visit.

Peru: Officials Criticize Accords With Ecuador

PY2702130396 Madrid EFE in Spanish 0118 GMT 25 Feb 96

[FBIS Translated Text] Lima, 24 Feb (EFE) — The results of the second round of talks between Peruvian Foreign Minister Francisco Tudela and Ecuadoran Foreign Minister Galo Leoro have been criticized by some Peruvian diplomats while others endorse the agreements reached.

According to Hugo de Zela Hurtado, a diplomat of the Peruvian Foreign Ministry, Peru should have waited until May, after the Ecuadoran general elections, to learn and assess the Ecuadoran Government's new position.

The Peruvian diplomat said: "Minister Tudela shouldn't have travelled to Quito because Sixto Duran-Ballen's administration is about to end its mandate and it would be wrong to believe that Ecuador will contribute to a serious and firm solution regarding the conflict."

De Zela also said that the Ecuadoran proposal only seeks to delay the talks in search of a definitive solution to the border dispute.

In Quito on 23 February, Tudela and Leoro ended their second round of talks regarding the procedures for future territorial negotiations in the midst of a cordial atmosphere that ended with concrete agreements.

The two countries gave the representatives of the 1942 Rio de Janeiro Protocol guarantor countries their respective lists of "subsistent impasses" or disagreements over their territorial dispute in sealed envelopes.

Ambassador Hugo De Zela said that the best thing for Peru would have been to wait until May, when the change of government in Ecuador takes place, in order to solve the pending issues related to the demarcation of the Peruvian-Ecuadoran border.

In statements to Radio Programas del Peru, he said it makes no sense, when we are at the door of a change of government in the neighboring country, to continue the negotiations now.

Gonzalo Fernandez Puyo, president of the International Law Association, today expressed his pleasure over the agreements reached by the foreign ministers of Peru and Ecuador.

He commented: "It would have been better if the list of subsistent impasses had not been kept secret and under custody but we understand this decision due to the Ecuadoran domestic political situation where they

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are experiencing an electoral process and are very near a change of government."

Regarding the agreement reached on the withdrawal of surplus troops from Watch Post No. 2 (PV2), that will be verified by the Ecuador-Peru Military Observers Mission of the guarantor countries (MOMEP II) until only 60 Peruvian soldiers are left, Fernandez Puyo said that Peru does not have nor will have no problem to comply with this commitment.

He added that "the demobilization is mentioned in the Itamaraty [Brazilian Foreign Ministry headquarters] Peace Declaration and it is a commitment both countries must honor."

Peru and Ecuador engaged in an undeclared 30-day war, from 26 January until 28 February 1995, in the Amazon area that lacks landmarks, in the Condor mountain range.

Peru: Fujimori Wants Verification of DMZ Violation

PY2902005096 Madrid EFE in Spanish 2250 GMT 28 Feb 96

[FBIS Translated Excerpt] Sao Paulo, 28 Feb (EFE) — Peruvian President Alberto Fujimori today asked that military observers from Argentina, Brazil, Chile, and the United States to verify the supposed presence of Ecuadoran troops in the demilitarized zone [DMZ] under the Itamaraty [Brazilian Foreign Ministry headquarters] Peace Agreement.

Ecuador denied the report, but Fujimori repeated that his country has detected Ecuadoran military forces in that zone, including the construction of a heliport, and asked for verification by members of the Ecuador-Peru Mission of Military Observers (MOMEP).

Speaking during a news conference at which he made a balance of his four-day official visit to Brazil which concluded today, the Peruvian president said: "We do not want to make a definitive accusation; we want the MOMEP to go and verify whether there is some violation of the peace agreement" signed in Itamaraty (Brazilian Foreign Ministry) on 17 February 1995, and ratified two weeks later in Uruguay.

This document allowed the end of the undeclared war between the armies of Ecuador and Peru during January and February 1995 in a zone of the common Amazon border which has no border markers, part of which has been demilitarized.

Fujimori explained that MOMEP observers are responsible for the verification of this type of reports. [passage omitted]

Peru: Fujimori Denies Plans for Reelection in 2000

PY2802184896 Lima LA REPUBLICA in Spanish 20 Feb 96 p 2

[FBIS Translated Text] During an interview granted to a Brazilian television network, President Alberto Fujimori asserted that he will not run for reelection in the year 2000 and that he will seek some sort of job that will allow him work in favor of the shantytowns and settlements.

In a frustrated tone of voice, Fujimori admitted that not much progress has been made in the struggle against corruption.

Fujimori told journalist Sergio Rondino, who interviewed him at government palace, that he enjoys his job, not for the power, but because he gets to help people.

The journalist conveyed the feeling there is in Peru as well as abroad that the Peruvian president intends to run for reelection after the end of his mandate. Fujimori said that the government policy implemented, which has helped meet many challenges, is not a personal policy.

During the interview he admitted that corruption prevails in Peru. He said the fingers of only one hand are only enough to count the number of most corrupt individuals serving their sentences in prison.

He blamed the Judicial branch for this situation. The Judicial branch is currently undergoing a reorganization process, as one of the excuses for the self-inflicted coup on 5 February [date as published] 1992 was the need to reorganize the judicial system. This process, however, was carried out quite unsuccessfully.

He asserted, however, that the government is permanently alert in its struggle against this scourge that has damaged Peruvian society so badly.

In the evening Fujimori opened the international seminar "Reform of the Health Sector," where he reiterated that he will continue including subjects related to family planning and sexuality in the education system "without listening to the criticisms," because "birth control must not be treated as a myth or a taboo."

In a firm tone of voice the president said: "It is time to talk openly."

At no time did he refer to the document recently released by the Catholic Church, signed by the Peruvian bishops, in which they urge the government to stop its sexual education campaign in the schools, warning that instead of teaching our youths it only encourages them to live licentiously.

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The document also urges the government to channel its education policy towards a culture for life and to prohibit abortion.

President Fujimori also clearly confirmed that "the state is determined to disclose the scientific discoveries — referring to every available birth control method — and will thus increase the number of citizens aware of their responsibility over their own health."

He even said that in Peru, the war against neglect and ailments can only be fought with appropriate information "for the Peruvians to plan their families with full freedom."

During the address opening the international seminar "Reform of the Health Sector," Fujimori also made a special appeal to the organizers to include on their three-day working agenda, precisely, the family planning subject."

"I know I have no right to ask you this but it is a suggestion I would like you to assess, because I assure you it won't do you any harm," he said, prompting the laughter of those attending the event.

Fujimori explained that the state's family planning policy also provides alternative information and free support to citizens who request it."

The opening ceremony was attended to, among others, by World Health Organization Chairman Hiroshi Nakajima, Panamerican Health Organization Chairman Sir George Alleyne, and representatives of organizations such as the IDB and the World Bank.

Health Minister Yong Motta announced that this year this sector will earmark 24 million Soles for the implementation of the family planning program at a nationwide level.

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